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VOL. XVIII NO. 6

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(Page 8)

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(Page 20)

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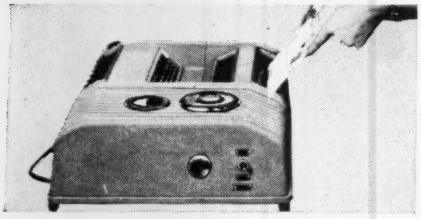

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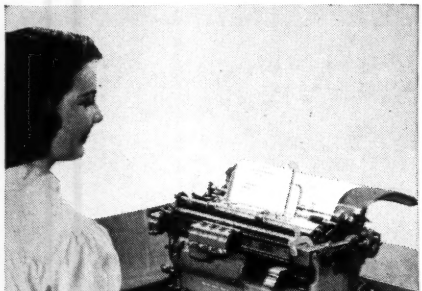

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Our Community Responsibility

By EDWARD W. JOCHIM
President, SAM, 1952-1953

LAST MONTH we talked on this page about management's responsibilities and obligations. We talked, too, about our—your Society's—obligations and responsibilities to management.

Management, we said, had a responsibility to its local community—to the community in which it operated its plant. That responsibility extended beyond the paying of taxes, reducing and controlling noise and smoke, maintaining proper pay scales and maintaining attractive grounds and buildings. The responsibility included taking an active interest in community affairs.

We, as a management society, have a similar responsibility to the 57 communities in which we have chapters. The responsibility varies slightly from that of local managements. We don't pay local taxes; we don't create a smoke or noise nuisance; we have no grounds and buildings to maintain; our payroll is restricted to the national office staff and does not involve the local communities of the chapters.

However, our community responsibility is very real. Many of our chapters are doing important and constructive work in their communities. Other chapters are now planning to undertake community projects. This indicates clearly that we do take our community responsibility seriously; that we are fulfilling our obligations as good citizens in the local community.

Because of our basic policy of filling needs that are not being adequately met—of filling needs that we by our organization and membership are uniquely qualified to fill—our chapter projects differ widely from chapter to chapter both in number and kind. It would require more than this entire issue of our Journal to describe adequately all of these various projects. A partial list includes: sponsorship of student chapters, supplying leadership for Junior Achievement activities, nonmedical scientific management assistance to hospitals, help to new small businesses, constructive study and advice for various governmental units.

Help For the Blind

In 1951 the Pittsburgh chapter started an ambitious project. It wanted to give of its scientific management know-how to a worthwhile charitable institution. The Pittsburgh Branch, Pennsylvania Association for the Blind was selected.

Before we talk about what has been done, let me quote from a letter written by W. Harold Bleakley, general manager, Pittsburgh Branch, Pennsylvania Association for the Blind. Mr. Bleakley says in part:

> "It is extremely difficult to put into words the value that has resulted from the activities of the Society for Advancement of Management in its efforts to assist the Pittsburgh Branch, Pennsylvania Association for the Blind. This job is made difficult for several reasons: first, the benefits are occuring so rapidly that any statement made one day would be out of date in a matter of a week, and secondly, some of the results will not be counted in dollars and cents for perhaps another 18 months or two years. . . ."

Some of the Benefits

In 1950 the sewing department of the plant operated by the Association lost $18,000. The following year the department netted a profit of $417. This change from loss to profit was the result of methods study, relayout of the department and simple re-equipping of the department made by members of the Society. Equipment costs were under $500.

Not only were costs controlled in the sewing department, but the department has been employing more blind persons at higher pay since the study was made. In 1952 the department's net reached $4600.

Methods studies in the broom department have cut broom costs $0.60 per dozen. Cost of baling waste material has been cut from $0.011 per pound to $0.006 per pound. With 20,000 pounds of waste baled per month, this represents a real dollar saving.

Inventory control, sales forcasting and production scheduling systems have been installed. An industrial engineer has been added to the Association's staff. An industrial relations program is being developed. A long-range accounting program is being instituted.

With progress such as the Pittsburgh chapter has had in its relations with the Association, and the success other chapters have had in their community programs, we, as a Society, are proud of our contributions.

Are Your Decisions Reflective or Intuitive?

By HAROLD E. KUBLY

They may be either and still be right. Reflections are slow, deliberate. Intuitions tend to be fast, based on barest facts. But neither will be right all the time.

HIGHLIGHTS ON THE AUTHOR

Prof. Kubly is a graduate of the University of Wisconsin. After a few years in industry, he completed a doctorate in philosophy. He taught philosophy at the University prior to joining the Department of Industrial Management, School of Commerce, where he has taught since 1941, except for 30 months spent in the Navy doing administrative work and teaching.

IF there is any field of management activity that remains *terra incognita*, it is probably that of decision-making, particularly in the field of top management. Not that exploration of this territory has been completely neglected; on the contrary, much probing has already meen undertaken. However, before it is safe to proceed further several matters ought to be cleared up to prevent the possibility of going off in the wrong direction.

One of these matters is what we mean when we use certain terms to describe a top manager's approach to decision-making. Some terms are used in widely different senses. While it is difficult, if not impossible, to get complete agreement on such matters, it may prove useful if a discussion of the subject is undertaken with the hope of bringing the fundamental points of disagreement out into the open.

Reflective vs. Intuitive

The purpose of this inquiry is to ask what we mean when we say that a management decision is reflective and when we say on the other hand that it is intuitive. Perhaps this will lead eventually to discovering in what respects they differ, if they actually do, and to removing some current ambiguities.

A recent NEW YORKER profile on Averill Harriman set up the opposition between these two approaches to decision-making by saying:

> "Harriman's approach to situations is pragmatic and intuitive rather than theoretical and reflective: he is often at a loss to explain how he arrived at a particular conclusion."

The above statement is particularly interesting, not only in that it sets up this opposition, but also because it associates intuitive with pragmatic and reflective with theoretical. Let us see whether there is any basis for this association.

Reflective Approach

Let us first clarify what is meant by the reflective method in arriving at a decision. There are of course other words that could be used to characterize this approach—the most popular, but also the most misleading, being *scientific*.

When a top manager has arrived at a decision by means of what we call the reflective method, he has carefully and methodically marshalled all pertinent facts; he has perhaps discussed them with those in a position to shed light on the situation and he has weighed the available facts logically. As a result of this, he has reached a decision which he is winning to accept as probably—but *only* probably—the correct one.

Thus, we must recognize that even the most carefully considered decision based on the reflective method must be viewed as giving only a certain degree of probability at best, never complete certainty. In some cases the probability is for practical purposes so high that it can be considered a certainty.

To be sure, anyone who has even been in a position of responsibility realizes that the description just given is a great over-simplification. What does it really mean, for instance, to say that the output of a machine is 100 units per hour? Unless one knows how many units should be produced per hour given a reasonably effective machine, what other machines turn out in the same time, what the cost is per unit, etc., the mere statement of the amount of output has no meaning.

Some readers will wonder about situations where the facts speak for themselves, where the individual merely observes passively, and where, if the rules of correct thinking are followed, he draws the only possible conclusion. Such situations presumably exist in the so-called physical sciences where by inductive and deductive reasoning different hypotheses can be formulated and tested in accordance with the principles known as the scientific method. Where analogous situations exist in the field of business, the same approach to a decision can no doubt be used. However, it is probably true that in business there are relatively few such situations.

Whenever a decision is based solely on measurable facts, the probability that it is right may be fairly high since there is a certain objectivity in the situation. Where the elements of a situation have to be evaluated, the probability is of a lower order since different observers—all equally qualified—may make different subjective evaluations. Unfortunately, such evaluations must be made in most top management decisions.

Case In Point

Let us take a specific case to illustrate these points. Suppose a company president must decide whether or not to buy a new, high-speed, labor-saving machine to replace several old ones. Various pertinent factors can be measured with a high degree of accuracy such as the cost of the new machine, the trade-in or scrap value of the old ones, the rate of production of the new ma-

chine compared with that of the old ones, the cost of maintenance and operation, the availability of funds for making the purchase and the time required for the machine to pay for itself. Apparently here is a typical case where a decision can be made on the basis of facts which are measurable and objective.

Yet, many company presidents have learned that facts of this kind—even when measured with great accuracy—can occasionally lead to a decision which, in terms of its consequences, must be called wrong. Frequently a number of important intangible elements are present; these cannot be measured with any degree of accuracy. As a matter of fact, if one concentrates too much on the measurable elements, he may completely overlook the intangibles.

There is something else about facts that is bothersome when it comes to making a decision. Whatever can be said about the facts with which the sciences deal cannot be said about business facts. For, a business executive may be on firm ground when he decides to buy a machine such as that we have discussed, but within a few days some new fact may enter the picture, or some fact may be altered in a way which would have changed the basis for his decision drastically.

Probabilities Exist

When situations like this are possible, it is clear why we are dealing with probabilities rather than with certainties. Although we may say that a top manager ought to be completely objective when he makes a decision, it is still true that he will interpret the facts before him in the light of his background, experience, training, beliefs, values and so on. What is most important, he will act on the basis of these interpretations.

A top manager also has to be selective in deciding which of all available facts are pertinent to the situation before him. Again, one's training and background play a part. There are managers who consider the position and influence of the various planets as a pertinent fact when a decision must be made; there are others, probably a large majority, who consider that as something that can safely be ignored.

There are managers who feel that the reactions of their employees or the community to certain of their decisions are important facts to consider. There are others, probably a declining minority, who choose to ignore such reactions.

Thus, we are in a position to see that when a manager uses what we have called the reflective approach in arriving at a decision, he draws deeply on his understanding of a situation. Despite the appearance of objectivity that may be given to his decision by the presence of measurable facts, basically his decision is the expression of his subjective interpretation of those facts. In short, the reflective method gives us a decision which is essentially unique with the individual making it rather than one which is objective in the sense that all executives confronted with the same set of facts would be in complete agreement.

Intuitive Approach

Let us now examine the nature of the intuitive approach to see what leads it can give us on the nature of management decisions. We shall be concerned only with the use of intuition by top administrators, mostly in the field of business.

As a point of departure, note the reference made to the use of intuition by Professor Marshall E. Dimock in his excellent book, "The Executive In Action." On page 127 he says:

> "There is nothing mysterious about intuition. It is merely a combination of past experience and conditioning, plus ability to form an integrated connection between complicated factors, in coming to a decision. A man of limited experience concentrates so long upon each factor in an involved problem that he loses his way. A man of wide experience, on the other hand, comes to have more mental alacrity and hence forms interconnections in his thinking which supply the answer quickly and reliably. To be sure, psychology has a long way to go in describing exactly what takes place, but that this is the general process seems fairly obvious."

There is an ambiguity in the use of the word intuition. Intuition may refer to a process of the mind, as when we say that a manager uses intuition in arriving at a decision. It may also refer to the end product of that process, as when we say that a decision is an intuition. For the most part we shall have in mind the former, although we shall find it convenient from time to time to refer to intuitions in the latter sense.

It will clarify the situation considerably if, keeping in mind Professor Dimock's statement, we note at the outset what we do *not* mean when we refer to intuition. Intuition is definitely not a faculty of the mind or an esoteric mental process which, independent of observation and experience, enables a person to grasp truths external to the mind. In this respect, we agree with John Stuart Mill when he insisted that a belief in such a faculty is the "great intellectual support of false doctrine and bad institutions."

In the second place, intuition is not the innate ability to make a successful "hunch," "guess" or "shot in the dark"—an ability with which some people are supposed to be born and others not. There is no more justification for a belief in such an ability than there is for the belief that some people always hold good cards at bridge while others always hold bad cards. A belief in such an innate ability is objectionable because it is anti-rational. Anyone who seriously believes in the efficacy of hunches, guesses and the like must at the same time believe that we live in a world where it is safe to disregard considerations which a more rational and reflective approach would consider pertinent, to reject or ignore past experience and observations as guides in arriving at a decision and to deny the desirability of understanding the reasons for acting. It means essentially a reversion to blind trial and error and an acceptance of superstition in the solution of problems.

Hunches Not Good

To be sure, a long-shot horse occasionally upsets the dope and wins a race. However, hunches do not pay off unless one has an extraordinary run of luck, and there is no way to determine when a lucky run is on.

Let us see if we can determine precisely what it is that characterizes decisions which are called intuitive and what distinguishes them from any other kind of decision.

As Professor Dimock noted, intuitions are arrived at quickly. This does not necessarily mean that the executive making the decision doesn't have time for a more deliberate consideration of the facts. It simply means that he is satisfied with his brief analysis and feels that further deliberation is unnecessary.

Accompanying a decision of this sort is a feeling that the selected course of action is the right one. That feeling is an important but elusive element in intuitions is fairly clear, and it usually distinguishes them from reflective decisions. The German definition of intuition, "*gefuhlsmassiges Erfassen*" expresses this as well as anything. However, in this connection it must be emphasized that feeling is not as irrational as may appear on the surface since—if we are dealing with anything more than a mere guess—it is supported ultimately by a wealth of past experiences and observations. Or, if one insists on call it irrational, we shall insist that it is a rational irrational element, meaning thereby that it is not haphazard and unhinged from reality as is the case with a hunch.

Are They Reliable?

This gives rise to still another point made by Professor Dimock, namely that intuitions are generally considered to be reliable. It is difficult to measure their reliability over a period of time, however, because of a quirk in human nature that causes us to remember those intuitions which turn out to be right and to forget those which prove to be wrong. Certainly it is an error to ascribe infallibility to intuitions.

It is unlikely that they are more accurate than decisions arrived at reflectively. Both intuitions and guesses deal at best with probabilities, and the most we can say is that in the long run the probability is high that intuitions are more reliable than guesses, even though we must grant that in any given case a guess may turn out to be correct where an intuition may prove to be wrong when each is judged by its respective consequences.

It is also erroneous to claim that an intuition is objective in the sense that other managers, confronted with essentially the same set of facts, will always be in complete agreement with the decision made by any particular manager. On the contrary, an intuitive decision bears the unmistakable stamp of the individual perhaps even more than does the reflective decision. This is really what one would expect if he keeps in mind that an intuition is based on the understanding derived from past experiences and observations.

It is probably correct to insist that the ability to make successful intuitive decisions is acquired only after a certain amount of experience has been gained. It would be wrong to deduce from this that all who have had experience are equally skilled in making decisions. This conclusion does not follow any more than would the conclusion that all who train assiduously for high jumping will be able to jump equally high. In the final analysis, intuition depends on understanding and insight.

One thing more must be stressed if a serious misunderstanding is to be avoided. Intuition is not contemptuous of the facts in any situation even though it may on the surface appear to be. As we have noted, intuitions are usually quick, immediate reactions to a set of facts. Where the reflective approach proceeds by attempting to lay bare the causal connections between facts, intuition decides without apparently being aware of these connections.

However, this does not mean that the causal connections between those facts have never been observed in the past. It has often been pointed out that one of the functions of the mind is to forget as well as to remember—probably for reasons of mental economy. Thus, while a manager may forget the details of a past experience in which he observed one phenomenon to follow another, he may remember—and quickly—that certain facts are to be interpreted in certain ways. This explains why Mr. Harriman, in the reference made to him earlier, is often at a loss to explain precisely how he reaches a certain conclusion but at the same time feels sure that it is the right one.

Similarities Exist

Having had a look at the characteristics of the reflective and intuitive approaches to decision-making, it is clear that we have not been dealing with two entirely different approaches since each has some element of the other in many cases. In short, we are not concerned with a question of "either-or," despite the dissimilarities which are apparent.

Both approaches have respect for facts even though they may handle them in different ways. Both reject attempts at decision-making which are non-rational. Both accept the validity of the canons of logic even though in the case of intuition this may not be immediately evident. Both depend ultimately for their validity on what we have called understanding. Both deal in probabilities and make no claim to certainty.

In view of these similarities, it is not surprising that many decisions, but not all, have strong elements of both approaches. For intuition often plays a part in the evaluation of facts in a reflective decision. Where it is not practical or possible to get at some pertinent facts in a given case, intuition may attempt to fill the gap. This suggests, therefore, that one would not be wrong to insist that reflective judgments are more intuitive than popularly supposed and that intuitive judgments are more reflective than commonly thought.

There Are Differences

Despite the temptation to insist that in the final analysis the two types of decisions are but two sides of a common approach, we must maintain that there *are* differences which cannot be ignored.

The reflective decision, as we have seen, is usually formulated only after a slow and careful analysis of as many facts as are deemed significant under the given set of circumstances, hence it is often a time-consuming process. By way of contrast, an intuitive decision is arrived at quickly and after an analysis of only the barest essentials so far as facts are concerned.

Perhaps a good case could be made to show that the temperament of the executive and—what is closely related to temperament — the press of affairs upon him determines which approach, he will use.

The executive who is constantly flying from one activity to another has to use his time economically, hence he cannot go over detailed reports analyzing the facts which have been gathered for him. All he will be interested in are digests which give him only those facts which are most significant.

In contrast, the more deliberate type of executive will find the reflective approach more congenial, and he will see to it that he is fully informed before he decides. While this type of executive is kept busy, the pressure on him for quick decisions is not the same as that under which the other type operates.

Our conclusion is that there are two types of decisions commonly found when one analyzes the nature of top management decisions. It probably serves a useful purpose to keep the distinction between them rather than attempt to reduce them to a common denominator.

Developing Uncle Sam's Management Team

By JOHN J. CORSON

Can you visualize Sears, Roebuck and Co., United States Steel Corp., or General Motors dismissing up to 80% of its top management men and bringing in a new team?

The largest enterprise in the United States—the federal government—has just gone through such a turnover. The change in teams—not unlike the old platoon systems just outlawed in football—highlights the distinctive need for training and developing of men in management at all levels of the government.

Should the government outlaw the platoon system, too?

THE federal government uses a total of about 5200 executives on its team. This team is made up of three principal groups:

The Political Policy-Making Officials, a group of approximately 800, constitute top management. The group is comprised of members of the President's Cabinet, the "Little Cabinet" (the under secretaries and assistant secretaries), members of regulatory commissions and boards (such as the Interstate Commerce Commission and the Tennessee Valley Authority), and a large number of positions filled by advisors and assistants to these political appointees.

The Top Civil Servants constitute the next management echelon. This group includes approximately 3500 individuals occupying positions classified at civil service Grades GS-15 to GS-18. Most are permanent career "bureaucrats." They administer our laws, collect our taxes, pay our veterans, prepare the federal budget, provide daily information as to weather, manage vast research projects, run fantastic statistic factories, develop and conserve our natural resources, build bridges and dams and protect consumers against the sale of unsafe or inaccurately advertised products.

They direct the bureaus, offices, divisions and sections that make up the departments and agencies headed by political policy-making officials.

The Military Administrators constitute a group of about 900 admirals and generals. These officers do not command troops. They direct recruitment and training; operate ship construction and repair yards, arsenals, vast storage and supply depots and weapons factories; supervise the procurement of billions of dollars worth of material; construct air bases, laboratories, camps, forts and depots; and supervise research into the development of new weapons, equipment and men.

This "executive team" is responsible for the efficiency with which $70-billions of our tax monies are spent, the services of 2.5-million civilian employees and 3.5-million airmen, marines, sailors and soldiers are all utilized, and essential public services are provided. On the shoulders of this "team" rests the future of democratic government both here and abroad. For on the United States, and on its federal government, lies the awesome responsibility of providing leadership to democratic peoples in this country and throughout the world.

Temporary Top Management

A significant proportion of those placed in political policy-making positions by the Eisenhower administration bring to their new assignments proven competence in the management of business enterprise. A significant minority have, in addition, had first hand acquaintanceship with the public service as legislators, officials of the Republican party organization and state administrators or executives under previous administrations. However, the bulk of these top policy-making officials have had no previous experience with the business of managing a public enterprise, i. e., with the distinctive characteristics of public administration.

Moreover, the evidence is strong that the majority of these individuals, like their predecessors, do not contemplate remaining long in the public service. The salaries of federal executives, ranging from $10,000 for the assistants to policy-making officials to $22,500 per annum for Cabinet members, are lower than those in private business. Only businessmen with independent incomes can maintain their customary standards of living for long on a federal salary.

Others will return to private employment after a year or two. Some who can afford public service will leave early because of a dislike for the frustrations of working within a large organization and dealing with a co-equal legislature. Others will be unwilling to accept the public criticism and will quit.[1]

Their inexperience in public service and their transitory nature are undeniable limitations to their effectiveness as executives.[2] An assistant secretary in the Truman administration remarked in January, 1953: "It's a shame, now that I'm beginning to understand what the job is all about, my time's up!"

But as a democratic people we claim the right periodically to determine that

Editor's Note: This is the second in a series of articles on the application of scientific management in government. The first article, "Performance Budgeting In Government," by Dr. Catheryn Seckler-Hudson, appeared in the March, 1953 issue of ADVANCED MANAGEMENT. The Washington Chapter, Society for Advancement of Management developed the series.

1 "There ain't much future to a job of public service any more," Robert Ruark wrote in his syndicated column on April 2, 1953, "because every time a good man decides to work for his country some loudmouth, out to make a reputation and damn the damage he does, lights into him and jumps up and down on his reputation." In similar vein one might ask, "Where has Mr. Ruark been all his adult life?" The experience is not new to those in the public service!

2 See Eric Johnston, "He Must Be More Than A Business Man," *The New York Times Magazine,* January 24, 1953, for description of the special talents required of the businessman who would succeed as an executive in the federal government.

another party shall take over the management of our governmental affairs. If that basic element in our freedom, the right to choose our rulers, brings with it the costs of inexperienced management of large, complex tax-supported activities, we still count the price a cheap one.

Needed: Career Executives

The recurrent turnover of political policy-making officials emphasizes the high importance of having permanent, experienced, competent executives in top civil service positions. Little orderly information is available as to the experience and capacity of those who occupy top civil service positions. This much has been disclosed by a study of about 1000 individuals occupying such position in the latter part of 1952:

1. Approximately three of every five had served in the federal government for 21 years or more.

2. Two of every five had commenced their federal employment before reaching 26, and three of every four before reaching 31 years of age.

3. Two of every five entered federal service through a clerical or junior administrative position, i. e., a position classified at Grade GS-9 (about $4,000 per annum) or less.

4. Almost three of every five had served throughout their federal employment with one department and usually the same bureau.

5. A majority had served during most of their careers as specialists—agronomists, chemists, economists, lawyers, personnel administrators or even metallurgists.[3]

Civil service executives are, by and large, bred within. Hence, it is essential to consider what processes are at work within the federal government that:

1. Enable each individual to develop to the extent of his ability, the executive talents, skills and understanding required to manage a public agency.

2. Bring into top level executive positions those with demonstrated managerial skills.

HIGHLIGHTS ON THE AUTHOR

John J. Corson is manager of the Washington office of McKinsey & Co. From 1934 to 1944 he was a federal official—a member of the management team. He served as: director, Bureau of Old Age and Survivor Insurance; director, U.S. Employment Service; deputy director general, UNRRA. He was president of the American Society for Public Administrators 1948-1949.

Existing Processes

Since 1936 the federal government has made notable progress in inducing more and more of the ablest among each year's college graduates to enter public service. A succession of improved examinations have been developed to sort out those with large potenial for growth. The departments and agencies have absorbed a large number of these able young people.

What becomes of them? How are they developed into potential executives? A majority of departments and agencies have established formal or informal career promotion programs. Fifteen departments and agencies have adopted the Junior Management Assistant Program which involves (a) the employment each year of college graduates who qualify by examination and (b) their subsequent rotation and promotion. These programs vary in effectiveness in distinguishing the abler entrants and carrying them with reasonable celerity from entry positions (Grade GS-5, approximately $3,000 per annum) to junior administrative jobs (Grades GS-9 to GS-11).

In addition, a few talented individuals are selected from the departments and enabled to observe and participate in the management of other departments. The Civil Service Commission conducts the following each year:

- *The Junior Management Intern Program* for from 20 to 25 individuals occupying positions at Grade GS-7 and below, and
- *The Career Development Program* for approximately 20 selected individuals, occupying positions at Grade GS-9 and above, to develop their skills and understanding through assignment to management activities in several departments and agencies other than their own.

In addition, a few departments attempt to identify potenial executive talent and give these younger men and women opportunities to broaden their experience and perspective. For example, the Department of the Treasury selects and rotates a small number of promising younger individuals each year among its fiscal services. Similar efforts are made in the Interior, State and Navy departments.

However, internships only reach a small minority of the abler young people in the federal service. They contribute relatively little to the development of needed executive talent. At the most, they only initiate; they do not complete the process of developing executives.

Limitations of Training

By and large, inservice training is limited to the orientation of new employees, the development of clerical, stenographic and other beginning skills, aiding individuals to become more effective as supervisors and the development among analytical staffs of fuller understanding of program objectives. Training officers

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[3] Robert A. Lovett commented in an address before the Princeton Bicentennial Conference that "if all the specialists and technicians in Washington were placed end to end, they ought to be left that way." *The Public Service and University Education,* Princeton Univ. Press, 1949, p. 72.

or their bosses, the political policy-making officials, assume that those individuals who reach the higher civil service levels, Grade GS-14 and above, have learned all there is to learn, or have no time to spare for personal development.

A consequence of the Hoover Commission recommendations was the establishment in 1950 of an "Executive Development Program" by the Civil Service Commission. Progress has been slow. The Commission's representatives have negotiated agreements outlining programs of executive training to be undertaken with seven departments. The agreements tend to push existing training efforts upward; i.e., to devote more attention to individuals in positions above the supervisory level. But these arrangements have not yet stimulated significant efforts to develop individuals at the top executive levels, i. e., Grades GS-14 and above.

Programs In Effect

Yet, there are notable developments. The Navy Department has carried on an executive development program for several years which reaches a significant portion of its civilian executives at the upper-middle ranks. The Federal Security Agency has experimented with seminars which utilize psychiatric techniques to aid executives to increase their effectiveness in interpersonal relations. The U. S. Public Health Service has brought outstanding students of administrative technique, including Charles P. McCormick, Ordway Tead, Burleigh Gardner and Paul Pigors, together with its executives for planned discussions of administrative practices.

These developments are miniscule in relation to the need for executive talent in the federal government. Especially discouraging is the limited interest in such efforts displayed by the bulk of the policy-making heads of departments.

The Eisenhower administration includes among its top ranks individuals such as Charles Hook, Jr., Deputy Postmaster General; Philip Young, Chairman, Civil Service Commission; and James C. Worthy, Assistant Secretary of Commerce, who have been identified with efforts to develop executives in industry. It is to be hoped that they and their associates may give greater support to the development of career executives in the civil service.

There are throughout the federal government ranking civil servants who accept the responsibility of training and coaching their associates, They accept the prime responsibility of any executive to develop his own replacement, and to require of each associate the development of their aides. That they accept this responsibility to train their fellows reflects their personal awareness of this obligation, not of any planned effort to develop the executives this large enterprise needs. Usually those who accept this responsibility think exclusively in terms of the needs of a particular bureau or agency, seldom of the needs of the whole federal government.

Such understanding as the federal government's top civil servants have of complicated problems of public policy, the interrelationships between the vast complex of governmental activities, the impact of their decisions upon private enterprise, and of the processes of management, they have acquired on their own initiative. The large majority of these men and women are able, conscientious public servants but existing processes for broadening their perspectives and their skills are not enough.

Military Services

The processes that exist for developing men in the foreign service, the U. S. Public Health Service and the military services to perform executive tasks contrast strikingly. Consider, for example, the military services.

From the time an officer enters one of the military academies until he retires, his development is constantly planned and supervised. His assignments are rotated to broaden his experience. He may be sent to one of the service "colleges" —the Industrial College of the Armed Forces, the National War College or elsewhere. He may be sent to a civilian graduate school of business administration at Columbia, Cornell, Harvard, Stanford or elsewhere. He may be assigned to an embassy abroad or to work with a variety of civilian agencies. Throughout his career he is schooled to observe the practices of his superior officers and to learn the tasks of an executive in the course of assisting.[4]

Yet, the military services do not produce an adequate supply of executives for the increasing variety of civil functions which make up the work of a modern army, air force or navy. This is attributable to their excessive emphasis on the command of troops as the single experience which qualifies an individual for top rank. As the management of military forces increasingly becomes the task of procurement, supply, mobilization of industrial resources, invention and development of missiles, planes or weapons, construction of bases, interpretation of military needs and programs to Congress and the civilian population, inordinate emphasis on experience in the command of troops is unwarranted.

The military services are slowly developing specialists in engineering, supply, transportation and finance and are training these men and officers who command air bases, arsenals, training camps, research centers, supply depots and other establishments in the arts and techniques of managing the efforts of other humans.

All too often these training programs have reflected a slavish adoption of curricula designed to train executives in private business, and a colonel concerned with the peculiar problems of an air base in Louisiana studies the intricacies of issuing common stock to finance a shoe factory! Yet, these training efforts are gradually being adapted to identify those particular management techniques and skills peculiar to the military administrator.

Four Requisites

A high priest of executive development in business has posited four requisites of a successful program for training future managers. They are: (1) an established "system and organization" (2) "two kinds of measurement, one focused on the man, the other on performance" (3) "principles of morality and fair dealing" in selecting and promoting executives, and (4) "the whole hearted understanding and support of top-management."[5]

Requisite 1—The military services have a fully developed system and organization. It requires adaptation to de-

[4] For observation as to the implications of such training on current relations between military officers and civilian officials of the departments of Defense and State see James A. Perkins, "Administration of the National Security Program," an address before the American Society for Public Administration, March 7, 1953.

[5] See, for example, James C. Worthy, "Executive Personnel Development," *Advanced Management*, February, 1953.

velop in military executives the skills required for managing non-military functions but the system exists. No similar system exists to produce the executive talents required for effective performance in the top 3500 civil service posts. Indeed, the existing civil service system by relating each individual's compensation and tenure to the position he occupies makes difficult the rotation of individuals to broadening assignments, or their assignment for training to governmental schools or civilian universities. In addition, the head of most federal departments has no authority or funds with which to finance the training of an executive at a civilian university.

Requisite 2—Ways and means for periodically measuring the performance of each military officer and public health officer now exist. They form the basis for successive assignments and promotion. Again, the civil service affords a striking contrast. Each civil servant is rated annually, but this rating is seldom used to plan subsequent assignments that will broaden his experience. It is seldom, if ever, used as a basis for promoting the individual *outside* the particular bureau or department in which he is presently employed. Promotion from one bureau or department to another is reserved, in principal part, for those individuals who will "shop around" or, at the least, make a persistent effort to insure that their talents are known to influential officials in other departments. The selection and promotion of executives within the federal civil service is less often based upon orderly periodical measurement of the individual and his performance than upon his initiative in seeking out opportunities.

Requisite 3—No previous administration has been able or willing to abide by "principles of morality and fair dealing" which would insure that executives were selected and promoted solely on the basis of proven competence. The filling of key executive posts in the civil service as bureau directors, commissioners, office chiefs and the like has frequently been influenced by the wishes of Congressmen, of organized industry, organized labor, organized doctors or of a political party organization.

To assert that this has been true is not to indict the "morality" and "fair dealing" of previous administrations; it is to depict realistically the peculiar, and handicapping, environment within which public administration is carried on. Each successive administration that occupies the White House sets its own standards for the filling of top civil service posts, and the extent to which experience, competence or the wishes of powerful groups outside the government shall influence the selection of those who manage important bureaus, commissions and offices.

Requisite 4 — The "understanding and support" by top management needed to make fully effective programs for the development of civil service executives has been limited, in the past, by the brief tenure of most political policy-making heads of federal departments. Most expect to remain in office but briefly (the average tenure of secretaries and assistant secretaries approximates three years). They have less incentive to establish processes to insure the development of competent executives throughout their departments than do their analogues in private business. They frequently enter upon their tasks with suspicion and lack of confidence in the career civil servants. They leave, usually, with a healthy respect for the integrity of most civil servants, but before having initiated any thoroughgoing system to develop the tested executives their successors (who may be of another political faith!) will need.

Unparalled Opportunity

The Eisenhower "team" of men and their associates can make no greater contribution to the long run "efficiency and economy" of the federal government than by establishing a thorough going program for developing the executives that the world's largest enterprise will need next year and in the next decade. Economy and efficiency in government can not be wrought by a handful of businessmen serving as secretaries and assistant secretaries. They are dependent upon the capacity and loyalty of bureau and office directors, division chiefs and others in every executive civil service post in their respective departments.

What can the Eisenhower administra- do to sharpen the skills of those now in executive positions, to acquaint them with and insure their loyalty to the objectives of this administration and to produce a flow of competent, junior executives that will insure continuing, efficient, economical management of the bureaus, offices and agencies throughout the federal government?

Clarification

First, it is essential that the role and opportunity of the top civil servant be clarified. If men are to be motivated to "stretch their abilities" they must see ahead opportunities for financial advancement, security, self-expression and recognition. To what positions in the federal government may the career civil servant aspire?

Every change in administration sends chills down the spines of career civil servants who fear the loss of jobs attained after a lifetime of public service. The Truman administration made this situation the worse by placing under civil service a number of positions whose incumbents (competent, earnest officials, the most of them!) played an important role in shaping policy for political superiors or were relied upon by Congressional committees for advice in respect to legislation. Mr. Eisenhower has avowed that he will remove these positions from the civil service and will replace incumbents with individuals sharing the philosophy of this administration. The removal of individuals from truly policy-making (as distinguished from predominantly scientific and managerial) positions is wholly justified and consistent with achievement of responsible, democratic government.

It is equally essential to the achievement of efficient, democratic government that he affirm his belief in the necessity of having experienced, competent executives to manage the bureaus, offices and divisions that carry out established policies. The position of director of the Federal Bureau of Investigation has been established as one requiring an individual experienced in investigatory techniques and in management, even as the General Motors Corporation fills its key posts with men experienced in the manufacture of automobiles and the management of men. How many more positions (such as, Chief Forester; Director, Bureau of Prisons; Director, Bureau of Old Age and Survivors Insurance; and Director, Bureau of Engraving and Printing) are to be established as similarly requiring experienced managers if the federal business is to be efficiently and economically performed?

An essential element in the development of men in our military services is the aspiration of each lieutenant and ensign to some day be a general or an admiral. The zeal of the junior executive in many corporations is kindled by the training he is accorded that he may qualify to be a vice-president. The development of needed civil servants requires a forthright clarification of the peak to which they may aspire.

Organize Effectively

Second, the federal government must organize more effectively to (a) recruit replacements for the political policy-making officials who will leave, and (b) develop sucessors for those top civil servants who die, retire or are bought off by private industry.

The administration in power must be prepared to replace approximately one-half its political policy-making officials (about 450) in 1954, and in each successive year. Responsibility for planning the orderly filling of these vacancies is distributed between the secretary of each department and the President's assistant on appointment matters, Mr. Charles Willis. Is this existing organization (or lack of organization) equal to the task of recruiting the top-flight executives who will be required?

There is urgent need, too, for integrating and strengthening the organization now responsible for producing approximately 500 to 700 trained civil servants to be promoted to positions at Grades 15-18 each year. Today this responsibility falls on (or between) the personnel staffs of the individual departments and the Civil Service Commission. In a few departments, the need is foreseen and programs exist to canvass all potential appointees and to produce the talent required. In most departments and agencies, key executive vacancies are filled on the basis of the proximity of an immediate assistant or the pressures of an influential group from without. Little regard is paid to the availability or relative competence of individuals in other departments.

The nuclear organization to train and develop those already in the top civil service positions exists within the Civil Service Commission—the Executive Development Staff. Its stature and influence must be built. Through this Staff the President should require each department to organize its own facilities (a) to forecast its executive replacement needs, (b) to train comprehensively those men and women at lower ranks who may be ready for promotion, and (c) especially to stimulate those already occupying top civil service posts to develop further their understanding and skill.

The Commission should further stimulate the transferrence of able people among the departments by developing a pool of career employees with executive skills and continually training them for future executive assignments.[6] Present "internship programs" identify but a handful of those younger men and women who should be singled out each year. Four, five or six times the number now given an opportunity to view the whole government service should be included in these programs. These training programs must be supplemented by the identification of those individuals of equal or greater talents, in Grades GS 12-14, for similar training. Together these efforts should be combined to develop a pool of especially competent career employees where breadth of experience and understanding qualify them for service in any department or agency, not solely within the department or bureau in which chance placed them upon their entry into the federal service.

To establish such a pool the Commission must obtain revolutionary amendments to the federal classification system. The compensation, rank and security of a military or foreign service officer is dependent upon his experience and accomplishment; he can be assigned from one position to another without modification of either compensation or security. In the civil service, the experienced executive has no status—no tenure, no assurance of compensation or security—except that which attaches to the classified job he holds at the moment. The Commission should seek legislation that would enable it to:

(1) identify a limited number of individuals, perhaps 300, of special competence and promise as members of a "career administrators pool,"

(2) establish for each member of the pool a salary at the levels fixed for Grades 15-18 in relation to his experience and proven competence and

(3) manage this pool periodically reassigning these administrators to other positions within the federal service where their talents can be broadened, and assuring each member of the pool another assignment if the position he now occupies is abolished or his services are not needed there through no fault of his own.[7]

Finally, enactment of a bill introduced in each of the past two sessions of Congress[8] would add an essential part to a complete system for developing federal executives. This bill ("to increase the efficiency of the federal government by improving the training of federal civilian officers and employees") would authorize the assignment of civilian officials to universities that would develop facilities for training public executives comparable to those that exist for the training of business executives. Its enactment would reflect acceptance of the idea that it is as important and feasible to train men to perform the tasks of managing the government's business as it is to train military officers and private business executives.

Substance of Training

Thirdly, if executives are to be trained for the federal service their distinctive needs must be clearly recognized. A part of their need is similar to that of the private business executive. In business as in government, there is a need for converting specialists in the second and third echelons of management into executives capable of a broader, overall point of view, and of assuming top-level responsibilities.[9]

To be effective in the public service, an executive must know more than the techniques of utilizing a large staff. He

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[6] This idea has been developed at greater length by the author in his book entitled, *Executives for the Federal Service*, pp. 78-85, Columbia University Press, 1952.

[7] A similar view is advanced by G. Lyle Belsley in *Federal Personnel Management and the Transition*, a special report prepared for Public Administration Clearing House, February, 1953.

[8] HR 1076, introduced in the current session by Rep. Katherine St. George of New York.

[9] Roger Gregoire, a French observer of the American civil service, has written "there are few administrators (in the American federal service) who are trained to take the broader view of governmental problems. Their education does not contribute to that spirit necessary for planning, organizing, directing and coordinating the public business." "The American Public Service: A French View," *Public Personnel Review*, 58, April, 1952.

must gain an understanding of the peculiar nature of public administration. He must be familiar with the organization of government, the co-equal relationship of the executive and legislative branches, the high order of accountability of the public servant to the press, the public, control agencies and the legislature. He must learn how to develop yardsticks for planning and measuring the performance of his staff to substitute for the dollar marks which make these tasks simpler in private enterprise.

Progress will never be made by training potenial public executives in the identical techniques that equip men for success in private business. The public executive utilizes similar techniques in managing his employees, but he operates within an environment that is vastly different. The federal executive must be aided to recognize and understand this environment and techniques for succeeding within it. A few universities, notably Harvard, Princeton, Syracuse and Southern California, train well many younger men and women for the public service. However, these universities have not provided facilities where senior executives meet and develop their understanding of the processes of public administration. Plans have been laid within the Civil Service Commission for the initiation of such training on a modest scale at the Civil Defense College, Olney, Maryland, within the next several months. This step should be warmly encouraged. It may provide the model upon which establishment of permanent advanced training facilities for federal executives comparable to the National War College for military officers or the executive training programs for private business conducted at Columbia, Cornell and Harvard can be founded.

Acceptance of the Idea

Fourth, and finally, if the Eisenhower administration is to improve permanently the efficiency and economy with which the business of the federal government is administered, it must breathe into each department the belief that it is as essential to develop each individual executive continually as it is to improve the machines, forms and procedures. It must breathe, too, into each department head acceptance of the responsibility of contributing to executive development in every bureau and agency over which he presides.

Time Study and the N.L.R.B.

By LOWELL F. JOHNSON

Is time study information private? "No," says the N. L. R. B. when a bargaining agent is in the picture. Their reasoning will be of interest to you.

In a recent case between a major manufacturing company and the C.I.O.'s Electrical Workers, the N.L.R.B. upheld a trial examiner's report on the right of a union to obtain employer data on time studies of job operations and also to conduct its own time studies. The dispute arose as a grievance under the terms of a contract between the two parties. The union sought the original time study data prepared by the company engineers, and the Board felt that this was necessary to permit the union to appraise intelligently the merits of the dispute. On the same basis and for the same reason, the Board held that the union should be permitted to conduct its own studies. They further added that this information is necessary to the effective administration of a labor agreement and therefore must be available to both parties to the contract.

No Surprise

To those who have closely followed the reasoning of the Board since the Taft Hartley Act was passed in 1947, this decision comes as no surprise. It follows the line of thinking manifest in rulings on other data related to bargaining. Perhaps it is as it should be.

Under the Wagner Act, the Board seemingly gave more favorable treatment of time study cases. In the 1946 decision in the Crompton-Highland Mills Case, the company was upheld because it had offered to permit the union to make its own time studies, hence a mitigation of the union's position. In the most recent case, the company was held in violation of Section 8 (a) (5) of the Act, because of its refusal to permit the union to conduct its own time study at the stage of the grievance procedure where necessary to make it possible for the union to sift the merits of the grievance and to "bargain intelligently."

In another recent decision, this time by an arbitrator, a new slant has been placed on the measure of job fitness. A senior millwright had been bumped down to a laborer's classification because of lack of work. He contended that he qualified for an oiler's job, but the company countered that he lacked the detailed knowledge of the types and locations of machines to be serviced, the quantities and types of oil and grease to be used and acquaintance with some 875 motors involved in the job.

The Ruling

The arbitrator ruled, however, that fundamental knowledge must be given more consideration than acquaintance with a "narrow situation." His reasoning is illuminating:

> "In considering the job of truck driver for example, we hold that the fitness category refers to the employee's ability to drive a truck in whatever traffic conditions prevail, to be sufficiently acquainted with the geography of the city to be able to find his way around and to properly represent the employer with the employer's clients.
>
> "We do not consider it a part of fitness that the applicant necessarily be acquainted with all of the idiosyncrasies of every truck the company owns; that he know each address the truck may be asked to deliver to, that he know what happened in the past, etc."

He proceeds to contend that "knowledge and training" mean "fundamental knowledge and not specific knowledge as it pertains to a narrow situation." To interpret it otherwise would make seniority meaningless during lay-offs and rehiring since the millwright's fundamental knowledge may be "far superior" to that of the oiler's, the umpire adds. He, therefore, awarded that the millwright be put on the oiler's job for a month's probation and that he be paid retroactively the difference between the laborer and oiler wage rates.

Can you afford probationary periods of this type in downgrading while each new man determines whether or not he can do the job?

The Foreman and Middle Management

ANONYMOUS

A foreman takes careful aim at his fellow foremen and their middle-management supervisors and tries to find out what's wrong. His target: No Foremen's Unions.

BESIDES being a first-line foreman in a large steel plant, I am also chairman of the Educational Committee of our management club. The Constitution of this club requires that the program of activities be at least 75% educational in nature. For some time now, I have sought an answer to the puzzling question, "Why do foremen fail to participate in educational programs which are actually essential to their own welfare?" I find that the answer—whatever it is—is obscured by the more important question, "Why are foremen becoming union-minded?"

In this matter of extreme concern to all industrial management — foremen personally—I have reached certain conclusions, some of which I presented in a previous article, entitled "Foreman Unions! How Soon?" (See ADVANCED MANAGEMENT, March, 1953, page 15). I should like to expand these convictions and explain the reasons behind the foreman's views and attitudes towards his company and superiors. I wish to clarify why the foreman—quite illogically of course—"may cut off his nose to spite his face" should he unionize.

It is alarming to me to see this industry-wide drift (I hesitate to call it a deliberate inclination) towards union-thinking. Foremen, more than ever before in my experience, are talking unions—foremen unions! This problem is not a personal one—neither departmental nor company—I assure you that it is industry-wide. Once foremen unionism gets started it will sweep the country just as did the CIO in the late thirties. I feel that it is time the foreman segment of management becomes articulate and presents the "underneath" picture of the management structure in an effort to prevent this calamity.

I speak, presumptuously perhaps, for the overwhelming majority of all foremen in our industrial circles. I guarantee you this is a composite of their feelings, beliefs and frustrations. I think that the best manner for foremen to participate in this critical discussion is through the channels of a national publication—a publication to upper management. I conscientiously believe that foremen must accept their responsibilities and give voice to their dissent—better now than later.

EDITOR'S NOTE: The author is a foreman. He is writing with his company's approval. His 15 years as a foreman give him background for his feelings. Many of his fellow foremen have concurred with his opinions. If you don't, let us know.

This is the second in a three-part series of articles, the first appearing in the March, 1953 issue.

In my daily work I come in contact with all sorts of workers: Foremen, union men, staff workers, supervisors, etc. In connection with my club activities, I have met the great majority of the foremen in my plant and, also, I have had occasion to contact the various levels of management personnel—from the "big boss" on down. At conventions, seminars, training sessions, etc., I have met and talked with management men from Pittsburgh to Portland, from Galveston to Grand Rapids—from all over the United States. They have represented every phase of industrial America.

Problems Are The Same

In general, I'd say that our problems are different only in degree — not in kind. My association with all these people has crystallized a good deal of my thinking on management-foreman problems. I think I know why foremen are getting union-minded; I think I know where management is dropping the ball. In short, I believe I have at least part of the answer to the unity-in-management dream which is not materializing.

In this particular discussion, I wish to explain that my loose title "department head" typifies the person who heads up any plant autonomy. In some cases the title could be plant manager, in other cases supervisor. I also wish to draw particular attention to those matters which are within the province of this autonomy—beyond which the foreman's dealings become "going over someone's head." It should be understood at the outset that this is, to the best of my ability, an objective, impersonal, industry-wide composition which bears no reflection on my company or my bosses, but rather is an attempt to accelerate the wheels of unity-in-management—the intimate interchange of information.

Better Understanding

The basic tenet of my solution is simply this: **Build a better understanding between the department head and his foremen.** A better understanding between top management and the foremen is desired, but not essential. The latter will take place naturally after the former is accomplished. It is apparent to me that the present situation is one where top management—foremen relations are over-emphasized at the expense of the department levels.

Top management's function should be primarily to instill the thought that all foremen-department head problems should be aired, aired across the table in the mutual environment of the department. **I am positive that we will never have foremen's unions once we bring things out into the open for discussion.** I firmly believe this simple process of "airing a problem" will in practically all cases be the solution with no further formalities necessary. The foreman as an individual wants to settle *his own problems on his own thinking level and in his own department.* A readily accessible outlet must be provided, however, in case a foreman should want to carry an issue further. It is more important that the foreman have this outlet than it is that

he use it. The very fact that it exists will provide a feeling of balance and security.

Going To The "Brass"

The foreman does not want to go over anyone's head. He thinks of this as self-degrading. He abhors this procedure as he likewise abhors his superior's "overshadowing him"—dealing with the workers directly when it is unnecessary. However, when the foreman feels it is necessary to go above his department level, especially with a problem concerning himself and the company, and after he has exhausted all departmental recourse, he wants to take it up with the "high brass." He wants to stay within the bounds of line authority. He wants consideration on an individual man-to-man basis from his superiors; not from an impartial, plant-wide, "trouble-shooter" party. He is very apt to distrust the "staff" relations. That this distrust is lessening with time is quite obvious, although it still persists.

Here is what I mean by carrying an issue "upstairs." This problem concerned a change in vacation schedules, a complicated one but with convincing arguments from either side, and after all local maneuvering was futile this foreman reluctantly said, "I guess I'll have to go to Joe." Apparently, his views prevailed with the big boss. As a result of this audacity, the decision in his case became plant policy thereafter, affecting the entire salaried personnel. The same policy is still in effect.

One might construe the above example as the granting of a concession to the supervisory group. Possibly so, but *foremen do not expect concessions.* I know of no foreman who ever felt he was underpaid *as an individual.* He accepts the competitive spirit of getting more only through advancement. However, there is a natural resentment from an individual when he feels a fellow foreman, especially in his own department, is getting — not earning — more than he is. This again is a problem that should be settled on a departmental level, that cannot be settled satisfactorily unless a mutual confidence has been established. Should unionism supplant our present individuality of the foreman, the demand for group concessions will be the rule.

On the other hand, can you interpret the decision in the above example as a much needed clarification of company policy? Should the department head have carried it up first? Did he miss another golden opportunity of "going to bat" for his men? I think so! *The foreman expects his department head to be his spokesman.* For the latter to fail to see the need of this, or for him to do it insincerely, is to promote a feeling of distrust. He engenders a suspicion that he is above his foremen, that their problems are not his problems. In a "natural" way, the foreman wants to accept that the department head *is* the company. Whenever I talk intimately with foremen, I find their conversation is largely confined to the area of their own department. Any other area, any higher level of management, seems way off in the distance. A company president may express himself in any manner he chooses to convey his ideas to the foremen—dramatically, forcefully, appealingly—but nothing that he says carries the impact that can be produced at times by an ordinary casual remark made by the department head. The department head who accepts this responsibility of being the spokesman and friend will find that his foremen are automatically receptive to his communications, and will respond by cooperating diligently with him towards the mutual goal of efficient, economical operation. He will have demonstrated his willingness to quarterback the departmental team.

Prerogatives Important

The foreman feels that he merits certain prerogatives inherent to his status. Such privileges as reserved parking, in-plant driving, no clock-punching, delivery of pay envelopes, etc. he has traditionally enjoyed. All are minor in themselves but important since they represent privileges the worker in general has not yet attained. As further privileges are granted to the workers, the foreman must be granted more in order to maintain the existing differential. Should you consider taking away any minor privilege, think twice before you do it! *A foreman's dignity is as easily ruffled as any manager's.* And the grapevine can be depended upon to provide a base motive for any such cancellation, regardless of its worthiness.

The foreman feels that he is a select individual. Was he not picked out of the crowd? He knows he was selected predominantly for his good qualities; his bad qualities were accepted. Our training departments are striving continually to improve the foreman's good qualities, and are making headway; but it seems to me in this area of bad qualities lies the great need for constructive improvements.

Training programs are of necessity impersonal and broad in scope. They take care of the good qualities. Who is taking care of the bad? Who is better qualified to do this than a foreman's own departmental superior? Here lies the opportunity to bring about a feeling of mutual confidence between the foreman and his department head. Such an approach, if done on a sincere, friendly, confidential basis, would be welcomed by every foreman.

The foreman's sentiments concerning these bad qualities can best be expressed by quoting from a recent sermon:

> "Do not be impatient with your children. They have qualities both good and bad. They have their virtues and their vices. Although they do not inherit these traits, they do inherit the tendencies to get them."

Foremen do copy their superior's mannerisms and their methods. Also, foremen mirror their superior's moods and attitudes. At times, the reflection tends to become a perfect image. Foremen will not freely do as you say; they will subconsciously do as you do.

A bit more should be said now about training programs (company, management, club, informal). Most of these fail to attain their full objectives and sometimes materially affect foreman-department head relations. The theory of training programs is fully accepted by all men, from the company president on down. Everyone readily sees the personal advantages for himself. What is it then that causes so many men to resist putting forth the effort necessary to start? Why do so many that start fail to complete?

I find that the majority of foremen invariably lose their incentive to start, maintain or complete original training plans. I find that where this incentive is *not* lost, it can *always* be traced back to the department—back to the department head. Fortunate is the foreman who has friendly, cooperative leadership; unfortunate is the foreman who finds recognition of his educational efforts expressed in the two words:

So what!

[*Please turn the page*]

Line Friction

There is an existing friction between any work level and its immediate higher level at every stage of a line organization. It exists also at the very bottom of management — at the foreman-worker level. Many foremen, subconsciously in many cases, place stumbling blocks in the way of aspiring workers who want to be trained to enter into the supervisory field. These stumbling blocks may be distasteful work, scheduling, lack of inspiration, and, in some cases, a pronounced antagonism. The most inclusive name I can supply for this attitude is "non-acceptance of the competitive spirit." The man in the lower level always feels that his immediate superior is "afraid of his job." Is it necessary that this attitude continue? Would not less formality and more friendliness help correct this situation?

The unions have licked this problem of adjacent-level friction by their insistence on seniority. At the same time, they have stifled all initiative and individuality in the worker. We foremen recognize that seniority cannot be condoned in management. But foremen unions will breed group thinking.

Yes, foremen want their superior's job, but they would sooner push him upwards than out. They know it's easier. I know of no company policy that does not include a preservation of existing status. You just don't fire men after you've promoted them! At the same time, foremen want to work on a competitive basis. They want to play on the team, not just chase foul balls. All foremen want to better themselves.

Respect Authority

Foremen do respect authority but will not recognize superiority. They want to work on a man-to-man basis. For example, steel mills have workers classified as blowers, heaters, melters and rollers. They are salaried personnel, though not in a distinct supervisory capacity. They are a part of management because they are in charge of a function. In general, they are higher paid than their immediate foreman, and rightly so, as they are Production with a capital P.

Without exception, they have come up through the ranks. Their complaints are these:

> "I've been here 30 years, yet he (the department head) tries to tell me what to do. He doesn't ask me;"
>
> or
>
> "So and so will listen to your side of the story, then listen to the other fellow's, then he'll tell you what to do."

In the first case, there is a resentment against implied superiority; in the second case, a complete acceptance of authority.

As another man put it:

> "How can he (the department head) expect to know my job as thoroughly as I do? To me it's all a case of an inferiority complex. To cover up, he resorts to issuing orders. If he just asks, I will tell him everything I know."

A good question for every supervisor to ask himself before he begins to issue an order is, "Is my inferiority complex showing?"

These top men of a function are, in the great majority, loyal only to the company and their own shift or crew. They are aware they are "production," which is the company's sole reason for existence, and are loyal to their crews for the advantages that accrue through teamwork. A sincere, healthy competition exists among the crews, best expressed in comparison of "tonnages" produced.

The foreman does not lack these loyalties. However, he does also have a departmental loyalty, a loyalty to his superiors in charge. This latter loyalty is very much tempered by his views that he is working *for* the company and working *with* his superiors. His departmental loyalty must be reciprocated to bring it to its fullest. Not just paternally, but an acceptance that he is helping run the department — "accepted as a truly functional member on the management team."

Loyalty Is Needed

Apparently it is not unusual for a department head to lose sight of the need for loyalty to his men, to lose the "common touch," the understanding of his men. I hear it from above and below his level. More than one worker or foreman has said, "So and so *forgets* when he was one of us." Top management has said, "They (referring to department heads) *forget* when they were out on the floor." The first expression is usually said apathetically. The second is often accompanied by the smacking of a fist into a palm.

The best example I can give of "backward projection" is the one indelibly imprinted on my mind during the recession days of the late thirties. It concerns a department head, now retired, noted for his pepperiness and "taking care of his men" and one who at times would ask you to "sit down and reminisce." He told me of how John had been in to see him again, this time complaining of not getting his share of working days. He replied, in effect, that John was a trouble maker and a "Red," to which John retorted:

> "Mr. Davy, your kids be hungry, you be damn good Red, too."
>
> Davy said to me very soberly:
>
> "Do you know, he is right," then laughingly added, "I'll bet I would have made a darned good one, too."

That an acceptance of the foreman's problems can be done in a natural way is ably demonstrated by some department heads. Here are two cases:

- The first involves the case of a foreman who encountered his department head during the latter's trip through the department and was asked, "How come I haven't seen you around the office for quite awhile?" Upon the foreman's assurance that he had had no occasion to drop in for a chat, he was told, "Drop in anyhow. There is a cigar waiting for you." The foreman proudly said, "I guess I'll have to go get that cigar."
- The second concerns a young foreman meeting his much older department head out on the floor and stating that he needed help on a personal departmental problem. The department head carelessly put his arm across the young foreman's shoulders and said, "OK son, I'll see what I can do about it." It was done, and the young foreman will "always remember how he put his arm around my shoulders."

Do these two cases remind you of the "good old days when the old man used to walk through the mill, ask you how you were doing, and discuss things?"

Policy Meetings

A less personal method of demonstrating a willingness to accept foremen's problems is through regular departmental policy meetings. A careful steering of the discussion can bring out any problem of group interest. It will be in these policy meetings that the department head can best judge his decisions on a group approval or group resentment basis.

The department head need not worry about individual resentment. If and when this crops up, the group will quickly discipline the individual and bring him in line. The foreman, incidentally, is also a good follower. I have no concrete example to offer concerning "group resentment" versus "group approval." However, the full implications of these attitudes are contained in these words said recently by a member of top management, "Lucky is the department head who has his foremen *for* him."

An impersonal method of initiating a plant-wide willingness to come to a man-to-man understanding is through supervisors' or management club sponsored panel discussions with top management. These could be held periodically to demonstrate top management's approval of departmental methods of fostering foreman recognition. An upper bracket dictation or edict which will bring about mere acquiescence to any of the above methods is not enough.

If the approach from all levels is not sincere in all respects, the grapevine will spread this fact, distorted and magnified by each successive telling. If the approach from the top levels cannot be sincere, there will be an aura of suspicion aroused, and the present situation will surely become more tense. It will be far better in this case to maintain a hands-off policy, and hope that the modern, alert department heads can successfully carry the full burden of bringing about unity-in-management at the departmental level.

Recently a plant manager while speaking on communications said, "You can best 'communicate' what the other person wants to hear." This technique is often so casually overlooked. Some department heads simply cannot understand why their foremen—with their bad qualities—cannot attain the high standards they themselves reached as foremen, and therefore speak disparagingly in terms of "poor" foremen. They unknowingly create an atmosphere of disapproval.

When you speak of "poor" foremen, you are talking about other foremen, probably in a competitor's plant. No man considers himself a poor foreman. But, if you will point out what *good* foremen have done in certain areas before you solicit their attention to the problems of the moment, their minds will be receptive. In this manner, you are expressing confidence in your foremen, and they in turn will *strive* to maintain your classification. When you just casually mention your *good* foremen and their *good* work, your audience in time will be every foreman in your department. A "good" foreman can accomplish a great deal; a "poor" foreman won't.

How can management best go about establishing this feeling of mutual confidence and man-to-man understanding? First, it must be done gradually and in a natural way. Only in this manner can we escape the implication that it is being done because of a threat of a foremen's union. Second, it must be sincerely accepted by all levels of management, especially the department head. If this gesture is artificial or insincere it cannot escape exposure. All in all, it must be done casually, conscientiously and continually. As such it will become a constant part of the production planning. Third, the tools to be used are an intimate exchange of information (communications) through natural channels, policy meetings, panel discussions, etc., and an acceptance of the foreman's desire that his department head be his spokesman.

We foremen know that the anti-union leadership of top management in the thirties was inadequate. We know that we cannot lead ourselves. Somewhere between these extremes lies the natural leadership that we want—a leadership that we should have—the department head. Only in the department lies the ideal area for the interchange of information which will bring about this order of mutual confidence and common understanding.

Do's For Management

Here are a few do's which are the more frequently present the further down the management ladder you go:

1. Create an "atmosphere of approval." Each foreman will then strive to attain your standards of performance.

2. Indicate your feeling of confidence in your foremen. This will help them carry out your plans.

3. Foster your foremen to come to you with their problems. When you do this, they will never think that you think *you* are superior.

4. Support your foremen. In turn, they will support you and carry it on to their men.

5. Encourage self-assertion on the part of your foremen. All foremen want to help run the department and according to the law of averages you will sometime get something worthwhile.

6. Make *your* decisions. Your foremen will go along with you 100% provided they have had the opportunity to be heard beforehand.

7. Put yourself in the foreman's shoes occasionally. You will at least get a broader perspective.

8. Ask your foreman frequently. He will tell you the best he can and his work will respond in direct proportion.

9. Instill the feeling that you are depending on him. He will then work for you.

10. Be sincere. The grapevine has yet to distort this fact.

We management club leaders desperately need help in maintaining and promoting the principles of unity-in-management; in making the foreman a better member on the management team; in combating foremen unionism. Not just help in the material sense, but help of an inspiring and cooperative nature. We sorely need sincere help that we can carry back to our fellow foremen, and which in turn will bring about the foreman's acceptance of being a truly functional member *on* the management team. All foremen want the department head to assume a natural leadership in attaining the *foreman goal* of making *his department the best place to work.* Foremen will then automatically and fully accept the department head's directing their efforts towards making the company a profitable investment.

Who has the *most* to lose should foremen bargaining units become a fact? Not the company, though it will pyramid their already monumental labor problems. The foreman will be the loser. The minute a foremen's union is started anywhere, anywhere in the United States, marks the day of decline in foremanship as a profession, the day when every foreman begins to lose his individuality, prestige and community leadership.

A Philosophy for the Employee

By DR. J. P. WOODS

Director, Geophysical Laboratory,
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It's really "A Philosophy for Everyone"—for, as author Woods points out, we are all employees. He tells you how and on what to build your philosophy.

PHILOSOPHY means literally the love of wisdom. In discussing the philosophy of the employee, I use the word to mean *that thinking by which a man lives*—that wisdom which causes him to act as he does.

In a narrow sense, the philosophy of the employee is that thinking which determines his relations with his employer and with his fellow employees. In a wider sense, the employee has relations not only with his employer and with his fellow employees, but also with his city, his country and his world.

Let's look at this wider concept of the word, because it is this wider philosophy which is of such great importance today.

In a way, each of us is an employee. The doctor charges a fee, but surely he is in the employ of his patient. The merchant makes a profit, but he works for his customers. So when we talk about the philosophy of the employee, we really speak of the philosophy of the average man.

You Build Your Own Philosophy

Where does a man get his philosophy? He must construct it deliberately, carefully, logically and while he is fully conscious.

Many a man never sees his philosophy in the daylight, for he leaves it always in his subconscious mind, in the night time of the human brain.

How can a man make his philosophy? By choosing among ideas, and by putting these ideas together with reason and logic. He must select suitable amounts of known materials and build from these a philosophic structure.

What are these materials? There are four out of which we can build a philosophy: Competition, self-interest, security and group ideas.

1. Competition

From the beginning on earth, all life has competed. The great lesson of biological science is that plant competes with plant and animal competes with animal. The great lesson of history is that man competes with man, and that men compete with all animate and inanimate forces on earth. The American idea of competition has been the most powerful force in our history.

We have given the world an original — an American — sort of competition. The rules of the game are: Any man is free to try; each man shall try his best; the best shall get the best rewards; the loser shall be free to try again.

This idea of competition has caused more progress in less time than any other idea in man's history.

We like to compete; we delight in it. We assemble in crowds of 20-, 50-, or 70,000, and sit on hard concrete in the hot sun or cold rain to watch 22 men compete for possession of and advancement of a leather ball. If we object to the sun or cold, we sit at home and stare hypnotized at a glass and listen to the excited voice from the loudspeaker.

We have contests for salesmen, Phi Beta Kappa keys for students, Pulitzer prizes for writers and $64 questions for anybody. We race automobiles, horses, boats and airplanes. We tie blue ribbons on the biggest bull at the county fair; we bid for the contract to build a million-dollar bridge; and we promote the factory hand to president of a great corporation.

However, in the words of a popular song, we are "bewitched, bothered and bewildered." For we also have seniority rules and subsidies. We have price fixing agreements and caves in which we bury eggs. We dye potatoes blue, and we have ways to hold back the hardworking and ways to protect the lax and the lazy.

Are we wide awake when we make such changes in our philosophy?

2. Self-Interest

This interest generates belief in the rights of the individual. A man has a right to profit by his wisdom, a right to advance by his initiative, a right to get rich. A man has a right to suffer for his foolishness, a right to be fired, a right to go broke.

A man has a right to do work worth doing. He should not be subjected to featherbedding and boondoggling. A man has the right to belong to the company, to feel he is on the team. And he has the right to quit his job and hunt a better one, a right to sell his services in competition on the open market.

For the two words *self interest*, I would prefer to use the word *selfishness*, were it not for the usual connotation. Forget this connotation and consider that selfishness is an admirable trait.

If a man does not care for himself, then who will care for him? What is the good of a man who has no interest in himself? If he has no pride in his appearance, he is dirty. If he has no wish to win friends, he is churlish. If he has no will to advance, he is lazy and a burden to his fellows.

Intelligent selfishness causes a man to care for himself and to realize that he does well when his companions do well; it makes him see that sickness may come to him from sick neighbors. Stupid selfishness is not true self-interest. It is only stupidity.

3. Security

The security idea is of increasing importance in the philosophy of the employee. I am a member of a retirement plan, a life insurance group, a sickness insurance group and the Social Security

System. I cannot say I do not want security.

The employee and his family have a right to security. But how much security do we want and what kind? Do we want security planned and provided for by the man himself, or security from on high?

The price of security dispensed from on high is regulation. Use too much security in building a philosophy, and you must reduce the other materials.

Secure from what? Secure for what? Security from having to compete? Security for laziness and inefficiency? Security for any folly a man may wish to commit?

4. Group Idea

The group idea is as old as humanity. Animals go in flocks, herds, schools, conveys. Men go in families, clans, tribes—in cities, states, countries, and in unions, associations, societies, pressure groups and gangs. The group can give the individual security, the help of his fellows and a chance to compete with his kind. It can serve the man, but it can also make a servant of him.

The fundamental group is our country. Our well-being comes from national production, national transportation and national distribution. Our safety is assured by national armed forces. Our security depends upon our national laws and the national financial system.

But we live now in an age of sub-groups. We belong to unions, to trade associations, to farm bureaus, to voters' leagues and to lobbies—and then we belong to the United States. Each sub-group starts out to protect and to advance the rights of its members. Each sub-group finds it necessary to collect money, to issue instructions and to punish members who do not obey. Each sub-group finds that it must have conformity and that it must press its demands oblivious to the rights of the national group and all other sub-groups.

Group-Eat-Group Idea

Perhaps the dog-eat-dog philosophy has now become the group - eat - group philosophy. The man who belongs too ardently to a sub-group puts in jeopardy the national interest and his own self-interest. When we live as a group, work with the group, think with the group and vote with the group—where is the man?

Great danger to the rights of the individual now comes from the groups formed to promote the rights of the individual.

When a man builds a philosophy from the four materials above, he meets the boundary problem. How much of each element shall he use? How much competition? How much self-interest? How much security? How much group idea?

If the use of one element is expanded, the use of the other must be reduced. This presents a serious problem, a difficult problem and a hidden problem. The great danger is that many people do not see that the problem exists.

Where Are the Boundaries?

I do not know where the boundaries lie. But let me lead you across three steps:

Step One • A man beats his child. The child runs screaming from the house to fall unconscious on the street with blood flowing from its mouth. Has the man a right to beat his child? Has the child a right to be secure from such a beating? Has the group the right to interfere—perhaps to take the child away from its father?

Step Two • A man drinks to excess. He is never sober. His wife and children are cold, hungry and afraid of him. Has the man a right to drink to excess? Has his family a right to ask that drink be taken away from him? Has the group the right to take drink away from this man? Has the group the right to take alcohol away from all men?

Step Three • A man invests his money unwisely. He is a sucker for every gold brick scheme that comes along. His wife is overworked, he has no insurance, and the children will never go to college. Has he the right to be a sucker? Has his wife a right not to be overworked? Have his children a right to go to college? Should the group take this man's salary each month, pay the family expenses with part and invest the remainder for the family?

Surely somewhere in these three steps we have crossed some boundaries.

These steps show the conflict among self-interest, security and group interest. Many similar examples can be given. The boundary problem occurs over and over in the business of setting up a philosophy. The problem must be recognized each time it arises.

The Right Way of Life

The man who has built himself a philosophy is ready to consider three ways of living: Capitalism, socialism and communism. Which way of living is compatible with his philosophy?

Capitalism gives high place to competition and self-interest. It is a system in which men compete in production—competing because of self-interest. It is a system in which a man gets more reward for more production, better reward for better production, and new reward for new production. Capitalism is a system of encouraging a vast use of tools to achieve a vast production. Each employee is a capitalist—a user of tools—a user of products made by tools.

Socialism exalts security. Here we have a government as a God, the organized fear of competition, and the desire to be cared for as in childhood.

Socialism is the worship of the security concept.

Communism exalts the group. It degrades the man. Here we have envy as the outstanding individual, organized hatred of the rights of self and common slavery to the group. There is no rational philosophy of communism, for this common slavery does not serve true group interest, but rather group interest is debauched and debased by a few maniacs. Communism is the group idea turned malignant.

Which Road To Select?

Which of the three ways of living will a man select? That will depend on the sort of philosophy he has built for himself. Is it a structure of logic and harmony? How well did he choose his materials? What were the proportions of competition, self-interest, security and group idea?

Man with a mature philosophy cannot be a socialist or a communist.

But there go abroad in the land today various self-deluded people fired with a missionary zeal to lead their fellows into socialism or communism. Both misery and self-delusion love company.

There have been times in history when an entire people have followed a false philosophy. There have been great retrogressions in civilization—times when men have gone backward from their better thinking.

We have built the American philosophy. Let us maintain it and propagate it with a zeal far surpassing that of any socialist or communist.

Action Research in the Human Factor

By ROGER M. BELLOWS

Action research can reduce strife and misunderstanding in industry. It is a realistic framework from which to start the attack on human factor problems.

RECENT EVENTS show that action research *can* enable industrial psychology to achieve greater contributions. Action research *can* provide a needed framework of concepts. These may make possible new approaches to problems that are, or at least seem to be, virtually insoluble by present approaches used alone.

There has been little work on development of a conceptual framework in industrial psychology. The industrial psychologist has been complacent in his viewpoint. He has looked with disdain upon theoretical and systematic psychology. The industrial psychologist has gone directly to the problem situation with his measuring and statistical tools. With them he has endeavored to measure isolated individuals and combine them into samples. In this way he has tried not only to solve a problem in a particular situation but to get results which will also generalize and solve similar problems in similar situations.

Two Schools of Thought

Throughout the history of psychology there have been two main schools of thought: the static (or elemental, analytical) and the dynamic. The static school has held that a psychological phenomenon, whether viewed as mental or behavioral, may be described by analysis and examination of its parts. The dynamic viewpoint has insisted that it is relatively fruitless to view the parts: the entire phenomenon being studied possesses qualities not found from analysis of the parts alone. It maintains that the crucial subject-matter for psychology is not the elements at all but the whole phenomenon.

Furthermore, whereas the static viewpoint is concerned with the cross-section look at the psychological phenomenon, the dynamic viewpoint is concerned with the evolution of a phenomenon, seen in long-section.

Industrial psychologists, it is contended, are analytical; they use designs of investigation for analysis of a static situation. If this is true, then they have been, for the most part, barking up the wrong tree. Recent facts, methods and results indicate that the concept framework of action research, which stresses configurations of phenomena and dynamics of situations, is a more fruitful approach. Two basic examples of the static-analytical approach will reveal its difficulties.

The Criterion

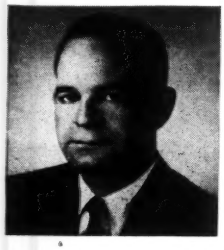
First, the problem of the criterion may be considered. The criterion may be defined as a measure of performance of an isolated individual employee. Without adequate criteria, psychological tests for use in prediction, or methods of training, or any proposed method of improving a situation, cannot be evaluated.

Problems in criterion development and evaluation are nearly insurmountable when approached from a static point of view. A number of attempts have been made to show that criteria can be evaluated and combined. Most of these attempts have been made in the last two decades. Viteles foresaw difficulties, saying in 1936 that criteria are dynamic entities, that they must be realistic, that they must be clinically evaluated.[1] He implied that they cannot be satisfactorily evaluated by statistical procedures alone.

In 1941 I said:

"No investigator has ever recommended any psychological instrument of known validity for practical use. It is impossible to know the future validity of a prediction. A predictor designed for a particular purpose is checked against a criterion but the criterion used in the practical situation is not necessarily the same as that used in validation. The job title may remain the same but the job may change. If the requirements of the job change, the prediction used is of unknown value. There is no technical method for checking on such changes until the changes have come into existence. . . .

Two assumptions regarding future use after validation must, therefore, always be made before recommending an instrument: no changes in job and criterion situation, and an identically constituted population. No check is available on these assumptions until after the instrument has been used. The investigator in presenting indices of validity of his instrument can therefore never justifiably use the



HIGHLIGHTS ON THE AUTHOR

Mr. Bellows received his Ph.D from Ohio State University in 1935. He has directed personnel research programs for the U.S. Dept. of Labor, the National Research Council and the University of Maryland. He is a consultant for the U.S. Air Force and the Federal Advisory Council, U.S.E.S. He is with Roger Bellows & Associates, Detroit.

*From a paper presented before the American Association for the Advancement of Science, St. Louis, Mo., December, 1952.

[1] Viteles, Morris S., "A Dynamic Criterion." *Occupations* (now *The Personnel and Guidance Journal*), 1936, 14, 963-67.

ASPECTS	CHARACTERISTICS OF STATIC RESEARCH	CHARACTERISTICS OF ACTION RESEARCH
Goals and End Products	Research reports Research findings *per se* sufficient Generalizable principles Individual prediction	Action in the situation Research findings insufficient Few, if any generalizable principles Group improvement Whole solutions
Systematic Considerations	Partial solutions Group dynamics unimportant or non-existent Elemental Mosaic Static	Group dynamics emphasized as crucial Gestalt Configurational Dynamic
Rationale and Method	Permanent original design Analytic and descriptive procedures Cross-section description Isolated individuals added to give a sample Individual criteria Probability and error statistics	Shifting design Communication and understanding Long-section description Groups compared with groups Group criteria Group conferences and participation

FIGURE 1—Differentiating Characteristics of Static Research and Action Research.

present or future tenses. He may say 'Validity was .55.' He may not, as is usual, say 'Validity is .55' or 'The tests will have a validity of .55 with the criterion. . . .' These facts also help to explain the failure of many test programs established for practical situations and eventually discontinued by their sponsors because they did not produce practical results."[2]

More recently endeavors have placed emphasis upon *stability* of validity—validity obtained on successive samples over a period of time, rather than validity in a particular cross-section of time. This changed emphasis reveals a trend toward viewing the situation as dynamic, not static.

Prediction Efficiency

The second basic example of difficulties inherent in the static-analytical approach is the low degree of prediction efficiency that has thus far been possible—even in the static situation.

Most of the best prediction studies, using batteries of psychological tests plus trial biographical predictors, statistically arranged for maximum forecasting efficiency, tie down only from 15% to 40% of the variance that is contained in the static criterion. It is estimated that the average predictor battery recommended for use had a validity such that less than 20% of all that was contained in the static criterion could be ascribed to the best combined predictors. More than 80% of it was unaccounted for — ascribed to experimental error.

In a few instances experimental design has provided for predictor batteries to be evaluated on successive samples, to determine the amount of sustained, or remaining validity. In these instances it has been found that even less validity remained. The index of usefulness of such batteries decreases considerably when tried on successive samples.

A Significant Difference

Both traditional static research and action research are technologies. They both differ from fundamental research in one significant way. The technologist intends that results will be applied, provided the results warrant application. Any technological research entails the development and evaluation of methods. This is common to both approaches.

Action research is a technology in which research workers not only intend that methods and results will be applied; they go farther than this. They arrange the situation in such a way as to insure applications. To say this in another way: Their goal is that action will be taken, from time to time, during the progress of the research. They work with those who are to use the research results, and help them take action as indicated by the results.

Figure 1 shows the differentiating characteristics of traditional static research and action research. Some of these differentiating characteristics are matters of degree, others tend to differentiate sharply the two research approaches.

The two kinds of research differ, in degree or kind, in three aspects, as shown in Figure 1: in their goals or end products; in their systematic considerations; and in their rationale and method.

Goals and End Products • Static research seems to be designed to yield a great many research reports. The lit-

[2] Bellows, Roger M., "Procedures for Evaluating Vocational Criteria." *Journal of Applied Psychology*, 1941, 25, 499-513.

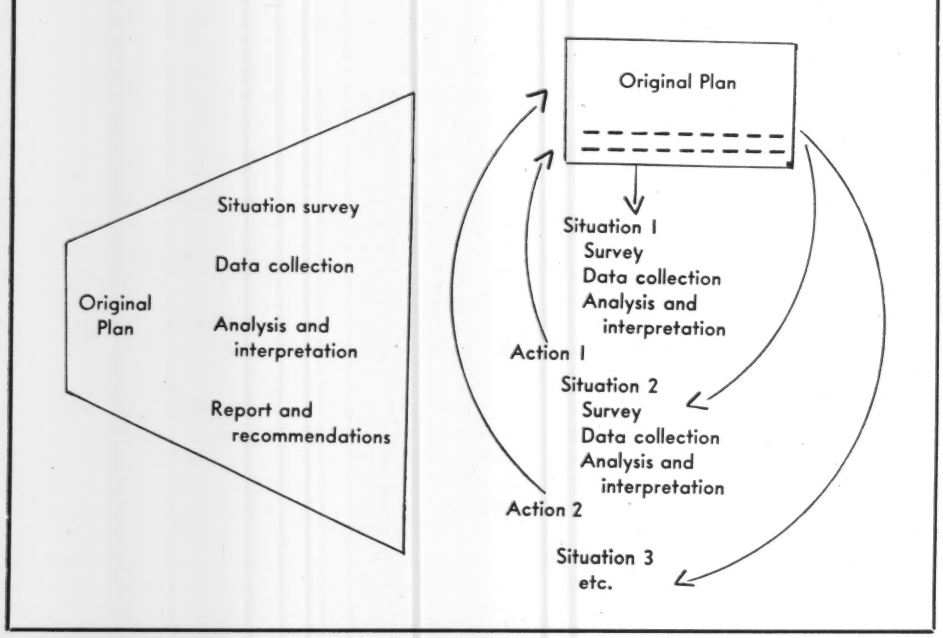


FIGURE 2—The Dynamic Aspect of Action Research Contrasted to Static Research.

erature is filled with them. Action research aims to yield action changes in the situation, and action research people are not satisfied with an impeccable, well-edited academic report. Whereas static researchers seem to be satisfied with reporting research findings *per se*, action research people believe mere results *per se* to be insufficient.

It seems that conventional, static research workers wish more than anything else to get results that will generalize and apply to other situations in addition to those in which they have been working. For action research, on the other hand, this emphasis is not great. Action research specialists would be content to do a good job for their particular situation; if results are generalizable to others, they tend to think of this contribution as a long-range by-product rather than the primary goal.

Static research people strive toward prediction of success of the isolated individual. They hope to improve the situation by selecting, arranging for, training or otherwise treating the individual case. To be sure, samples comprising several individuals are gathered and used in criterion prediction studies; the orientation is, however, clearly toward the individual as an element of the sample.

In contrast, action research is not greatly concerned with the isolated individual as a research element; the interest is in groups and group relationships, indeed in the total social and physical environment, considered as a whole. Thus, in action research the criterion tends to be group success, change or improvement of the group rather than success, change or improvement of each individual. The conditions that are experimentally worked with to improve the situations are conditions and forces that impinge on groups. Alleged unit or trait characteristics that are part of or influence an individual are relatively unimportant in action research.

In view of this, the static researcher must be content with part of the story—partial solutions to problems. As an example, he might try out a test predictor, or a battery of predictors, or even a factored battery of "primary mental ability tests"—by these he only can hope to show some relation between such scores and a criterion. He ordinarily leaves "motivational" or "attitudinal" or so-called environmental forces to separate static studies. In action research, the entire configuration of forces is considered in long-section influence on some criterion. While less precise and quantitative, action research tries to get at the forces making up the milieu of influence that describes behavior of groups. Thus, action research seeks whole solutions.

Systematic Considerations • It was noted above that action research pays more attention to systematic considerations than does static research; that static research disdains theory and system. Action research requires a conceptual framework that enables discussion of group dynamics as not only real, but crucial to problem solution. Static research workers tend to neglect, or even deny the existence of, dynamic group forces.

The static research viewpoint seeks elements in the situation while action research seeks to describe figure-ground relationships. While static research views elements as a mosaic, action research is interested in the patterns and configurations that exist in the changing situation.

The static research approach deals with a cross-section, disregarding the changes that take place along the time line. In contrast, the concept framework of action research emphasizes the flow and change of events and relationships from one time to another.

Rationale and Method • The systematic formulations under which action research proceeds make necessary a shifting design for study. In static research an original plan is set up, often in a written proposal, or research prospectus. The plan is, or is supposed to be, adhered to throughout the course of research on this problem. In action research an essential, preconceived emphasis is that the original plan will be modified at intervals during the research.

Figure 2 illustrates this difference. The action researcher, recognizing the dynamic aspect of his problem, provides for changes in his original plan, which he views as a trial plan. This enables him to get into the situation, (see situation 1 in Figure 2), make a survey, collect, analyze, and interpret some data, take action, and modify the original plan before going to the next phase (situation 2). Situation 2 has been modified by the action taken in the first phase of the activity. Too often the static research worker cannot get started with a plan because, when he first views a situation, it is impossible to write an adequate, complete plan. He is too often stymied at the start.

The lines of communication which turn back upon and influence the orig-

inal plan are crucial aspects of action research. The action researcher seeks a long-section description that will include the changes he makes in the situation from phase to phase. He places emphasis, in the action part of the work, on group meetings and techniques for arriving at group decisions. He works with presidents, vice-presidents, supervisors and rank-and-file employees; the decisions are made with their participation and understanding.

This is in contrast to static research, in which the researchers go off by themselves, confer on interpretation and decide what to recommend in their report. They place no emphasis on communication with or understanding of the sponsors and so-called users of the product of their studies. They think of their product, of course, as their research report.

Thus, action research is concerned with communication devices, semantic problems and understanding. It strives to utilize methods for analysis and improvement of communications as well as conventional research tools.

Actually a considerable amount of research in industrial psychology and in human resources, as well as other social research, really works this way in spite of the fact that the plan is set up as a static research plan (as in Figure 2). Much industrial and military personnel research is now unrealistically done under contract. It is abundantly clear that virtually all such research does not lend itself to a contract arrangement. There are no units or products that can be foreseen. Since the goal is only a general one, "intention to improve the situation," to foretell the outcomes of action research from one stage to the next is avowedly impossible.

The action research worker in industrial psychology can be seen to be mainly applying a new concept framework to the kind of work that has been done for a long time. He participates with users, and arranges and rearranges the situation, noting the influences of these changes on such phenomena as criteria of group productivity and measured attitudes of employees.

Space does not permit more than a listing of the problem areas in business and industry for which action research can, and in some instances already has, been used: job evaluation; attitude surveys; work simplification plans; development, evaluation, and installation of performance evaluation methods, coupled with training and on-the-job counseling programs; plans for employee participation in management and policy decisions; organization structures. In these and other problem areas, methods for multiple participation and group decisions are dominant considerations.

Conclusion

In summary, if the action research approach had been used in industry in the past it is likely there would be less industrial strife, fewer misunderstandings, than exist today. Action research provides a realistic concept framework for attacking human factor problems. It emphasizes their dynamic nature. It studies group pressures and forces, and utilizes them through group participation in decision making. It aims to enable actions to be taken that are agreed to by all concerned.

Action research is the opposite from static research. It deals with group dynamics, not statics. It enables the research worker: to provide in advance for changing his research plan as he progresses; to work with users of his results to solve actual problems; to help take action in terms of the situation rather than write reports for the literature.

Industrial psychologists have been barking up the wrong tree. They have been dealing with individuals—selecting an applicant, placing an employee — when they could have been dealing with major group problems. They have been looking at the static aspect of people; they could have been solving problems in terms of dynamics of groups.

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There Are Real Incentives in Federal Work

By JAMES C. WORTHY

They aren't the financial incentives you find employed in industry today. But they inspire workers to produce that little extra. Here's a businessman turned federal employee who looks at nonfinancial incentives of government work and shows how they work.

To people in business, one of the most striking features of government work is the apparent absence of incentives.

The businessman is accustomed to various methods of paying employees according to their actual output. Those who work hard are rewarded. Those who "soldier" are penalized. The businessman is shocked to find that in government work, where such methods are technically feasible, they are prohibited by law.

The businessman is accustomed to giving merit raises for special effort and to scale his rates according to services received from the employee. He is shocked to learn that government workers are grouped in broad categories salary-wise, and that within these categories individual merit has literally nothing to do with what is earned.

The businessman is accustomed to what might be called "negative" as well as "positive" incentives. He maintains efficient production by weeding out the lazy and inept. When reductions in force are necessary, he seeks to eliminate the less efficient and to retain the conscientious and capable. He is disturbed to see reduction in government force proceed with practically no reference to the employee's individual worth.

The businessman asks, quite naturally, what incentive a government worker has to put extra effort into his work. Because, as a businessman, he puts great store in the drive of ambition.

He himself is quite likely to be a highly mobile person who rose from the ranks. He usually relies for much of the momentum of his business on the desire of his people to get ahead in the world.

Paycheck Measures Success

The most tangible evidence of "geting ahead" in the business world is the paycheck—and what that paycheck will buy. This is the real significance of the relatively high levels of executive salaries in private industry—they are a measure of progress and achievement.

It is understandable why a businessman, coming into government, is offended by a system that provides so slight a money differential between jobs of low and high responsibility. In business, a $10,000 job is likely to be fairly well down in hierarchy. He wonders why anyone with real capacity and ambition is willing to stay on in government work when the top civil service grade pays only $10,800, and when only a very tiny few can hope for $14,800.

They Aren't Lazy

He concludes that government workers lack ambition—the ambition he is used to seeing among people in the business world.

But contrary to the expectations he might derive from these initial impressions, the businessman coming into government is likely to find a great many able people in the career service—people he would very much like to have in his own organization, and who, if they were in his own business, would be getting far more in salary than they are earning in goverment service.

He is likely to find that even without the spur of financial reward, people such as these, as well as people in the middle and lower ranks, are often willing to exert themselves to the utmost.

If he is a thoughtful man he will begin to wonder if some of the preconceptions and first impressions are not in need of revision. He will begin to wonder if, after all, there are not powerful incentives in government service, which, if properly understood and effectively mobilized, could make his job easier and government more efficient.

As he becomes better acquainted with government, the businessman is likely to be impressed with the vast *intrinsic* interest inherent in much of that work. Many of the things that are done involve matters of high policy or contribute in important ways to the making or implementing of high policy.

The Problems Are Real

What would be the effect of a proposed change in the Reciprocal Trade Act on key segments of the domestic economy? What is the significance of the rise in consumer debt for future trends in business activity? What are the future requirements of the federal highway system, and what changes must be anticipated in the light of changing patterns of industry and population? How can the safety of air travel be improved? How can the accuracy of weather predictions be improved? How can this recent development in pure science be adapted to defense needs or civilian applications? How can statistical services be improved to better meet the needs of business and government?

These are just some of the challenging questions with which people in government must constantly deal — and there is an inherent satisfaction to be had in so doing.

People who work with problems like these have a sense of achievement or at least of being associated with work of real significance. They have a sense of being close to the center of things—of "being in the know."

Under these circumstances it is possible for government to attract and hold many people of high ability and ambition. And in broad areas of government, the nature of the work is such as to bring

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Editor's Note: On page 8 John J. Corson discusses the need for executive development among federal employees. Allied to that problem is this paper by Mr. Worthy on the nonfinancial incentives of the federal worker. These two papers are an important pair . . . especially in this year of change in the federal administrations.

HIGHLIGHTS ON THE AUTHOR

When James C. Worthy authored his last article for us he was a member of the National Personnel Dept., Sears, Roebuck and Co. Now he is Assistant Secretary of Commerce for Administration (designate). He is a member of the Chicago Industrial Relations Assoc., was its president in 1950-1951. He's a director of the Industrial Relations Research Association.

forth high levels of effort and devotion —effort and devotion which industry is accustomed to command through financial incentives but which in government is largely inherent in the nature of the work itself.

The businessman, if he thinks closely about the implications of this, is likely to begin revising his ideas as to the real nature of incentives. He may even conclude that the financial incentives of his business experiences are not necessarily as superior to the incentives he finds in government as he may have first imagined.

Jobs Can Be Too Simple

Often in industry, jobs have been simplified and routinized to the point where they no longer have real significance for their own sake, and interest in them and effort with respect to them can only be maintained by some special system of financial reward.

In government, even where the job itself is routine and repetitive, the worker performing it is likely to have a sense of being associated with a total activity which is of very great importance and to derive considerable satisfaction from that fact.

The ambitious man in business competes with his fellows not only in terms of rising within the hierarchy of the business organization but in terms of the successively higher standard of living he is able to achieve—the house he owns and the neighborhood in which he lives, the car he drives, the clubs to which he belongs.

The ambitious man in government competes with his fellows not so much in terms of these, for the money differential is relatively small. But this does not mean that the man in government does not have equally satisfying rewards to which he can aspire.

Status Symbols Differ

In both business and government there are complex systems of status symbols by which individual progress may be measured and by which relative standing may be judged. But whereas in business many of these symbols pertain chiefly to the hierarchy of community life, in government they pertain chiefly to the hierarchy of working life. Obviously, there is a considerable overlap in both the business and government situations as between off-the-job and on-the-job symbols, but there is a relative difference in emphasis.

It is impossible to decide which set of status symbols is the more effective in terms of motivation, but it may be significant to note that in government there is relatively greater emphasis on job-centered symbols. In any event, it is clear that the incentives for the ambitious man in government to work hard and get ahead do not compare too unfavorably to those open to the ambitious man in business. Only by this means can one account for the large numbers of able and devoted public servants to be found in key positions throughout the government.

This, of course, is being written in general terms. By no means are all government employees hard-working and conscientious—but neither are all employees in private business hard-working and conscientious. By no means are all people in key positions in the career service able and devoted—but neither are all their counterparts in private business.

My experience with government is limited, but what I have seen of the caliber of employees in government compares very favorably with the caliber of employees in industry.

There is one major element to be found in government service that is largely lacking in business and that is the possibility of conflict in basic philosophy between an incoming administration and key personnel carried over from an old administration.

Management Goals Don't Change

The ownership or management of a business may change, but the objectives of the new top group will not differ markedly from those of the old. The objectives of any business enterprise are relatively simple: To make a good product, to render a good service and to make a little money.

The effectiveness with which these objectives are achieved are fairly easily measured: By volume of sales, the profit and loss statement, etc. A new management group may have new ideas as to methods, but by and large the main goals are the same.

This is not true in government service. Particularly, as at the present time, it is natural that a certain number of career people carried over in key jobs from the previous administration should have somewhat different ideas than the new administration as to the proper role of government.

In some cases, the conflict in point of view may be such as to seriously hamper the efforts of the new administration to carry out the programs or to effect the changes it conceives as implicit in its electoral mandate. Where this is the case, the honorable course of the carry-overs should be to quietly withdraw. If they don't, the new administration has no recourse but to remove them.

Not a Serious Problem

I do not think this problem is as serious as it may at first appear. I have been impressed with the willingness of the great majority of the career people with whom I have come in contact to carry out whatever policies and to respond to whatever leadership the new administration sees fit to provide. The career people say "Tell us what you want and we'll do it."

This all may seem somewhat far afield from the subject of incentives, but in reality it goes right to the heart of the problem. The system of incentives in government is somewhat different from that in industry, but it is no less powerful. Essentially these incentives lie in the fact that the very nature of much of

the work performed in government carries with it a sense of importance.

Recognize Importance

People will extend themselves to the utmost where they have the feeling that that importance is recognized. Conversely, anything said or done to depreciate the importance of what they are doing cuts the ground out from under them and destroys what otherwise could be a splendid form of motivation.

This presents a serious difficulty to any new administration. In our own Department (U. S. Department of Commerce), for instance, there are changes we want to make. Above all, we are committed to substantial cuts in expenditures which means that we shall have to achieve real economies in operations if we are to perform effectively the responsibilities with which we are charged.

If we do this job properly, it can be the means for strengthening motivation and morale rather than the contrary. If motivation rests so heavily on the sense of doing important and significant work, anything which can be done to eliminate the less important and the less significant will improve motivation. The spirit in which this is done, however, is all-important.

Weed With Care

If it is done in a spirit of weeding out incompetents and loafers—and considering everybody guilty until proved innocent—the results can be disastrous. But if it is done in a spirit of reorienting the efforts of people along more constructive lines, of bringing about changes that will make their work and their personal contributions more effective, the results will be astonishing.

I believe firmly in the necessity for releasing the dynamic power of human initiative. This driving urge is not confined solely to private enterprise. If we take the pains to release it, it can throb and pulsate through government work as well.

The challenge for initiative in our Department is to develop better ways to foster and promote the commerce of the United States. The fun in improving old methods, the thrill of thinking up new ideas, the satisfaction of projecting good ideas into operation, the excitement of competing with others in doing the best job in public service—these are some of the fascinating rewards of initiative in government work.

Changing Concept of Industrial Relations

By R. C. WELLFORD

Personnel Manager, Film Department
E. I. du Pont de Nemours & Company

The days of more or less blind loyalty to the company by employees are over. We must concentrate on a sound, honest two-way flow of communication with employees.

EVERYONE realizes that good employee relations will be one of the prime factors in the success of any business in the years which lie ahead. When considering the changes in management's concept of industrial relations, I like to think back to the late twenties and early thirties and recall some of the experiences which, I believe, we all had.

Let us assume for the moment that most of us began our industrial experience in the year 1930. The nation was staggering under the impact of a major depression. Large numbers were out of work. Those of us who were fortunate enough to get jobs were probably so happy to be employed that we did not look too critically at the policies or industrial relations philosophies of the companies for which we worked.

We may have felt that our immediate supervisor was an unreasonable blot on the landscape but we had a job. The ship seemed sound; we were glad to be aboard.

Regardless of whether we were employed at the wage roll level; whether we were fortunate enough to be a salaried employee; or whether we had the extreme good fortune of being in a supervisory capacity; the fact that we were employed gave us a tremendous incentive to stay employed.

Grievances at a Minimum

Those of us who were in a supervisory capacity during the early thirties found that our wage roll people were also so eager to remain employed that their stated grievances were at a minimum. We probably prided ourselves on the fact that we knew what was going on in the minds of our men; that we were reasonable, considerate, and enlightened in the handling of their problems. But as we look back upon our performance, we are probably forced to admit that we were not as close to our people as we thought we were.

Further, we can recall too well the change in administration in 1932 which brought with it, among other things, a new and unparalleled emphasis on collective bargaining. This resulted in a tremendous upswing in the power and prestige of the union movement. Countless industries throughout the nation which had prided themselves on just, humane and liberal treatment of their employees were shocked to find these employees, by overwhelming majorities, turning to unions for representation.

It is entirely possible that many companies experiencing this trend were both shocked and hurt to find their employees turning to unions, apparently for protection or, at least, for strength in bargaining with management. This may have resulted for a time in the adoption by some managements of an almost belligerent philosophy toward collective bargaining.

This entirely human reaction may have tended to aid certain unions in driving a wedge between the wage roll employee and his supervision. It also may have caused managements to lose sight of the fact that the people on their payroll were still valued employees and that retention of their cooperation and respect was still a key factor in the sound growth of the enterprise.

Enter the Government

With both the passage of the Wagner

Adapted from a speech presented before the Lancaster Chapter of the Society for Advancement of Management, Lancaster, Pa., on April 28, 1953.

Act and the creation of the National Labor Relations Board in 1935, the Government first actively entered the field of industrial relations for many companies.

Under the Wagner Act, we found ourselves prohibited from discussing unions with employees. This reached the point where if an employee approached his foreman, saying:

> "Bill, some union guys were around at my house last night asking me to sign up. I don't know anything about unions, and I have always felt free to discuss any problem with you. What do you think about this union business?"

We were forced to instruct our foremen to say, in effect:

> "Get thee behind me, Satan. I am prohibited by law from discussing any such matters with you."

This had the effect of driving supervision further away from the wage roll employees because once you established a barrier against free exchange of opinion on one subject, it is difficult to maintain free discussion on any subject.

I am afraid most of us saw this trend continue through the unparalleled expansion in most industrial activities brought about by World War II and the year immediately following V-J Day, when industry was striving to fill the back-log of pent-up demand for consumer goods.

Faced With Suspicion

As normal operating conditions returned, as controls were relaxed and as materials became available, we plunged wholeheartedly into the job of getting out more production. We found, that instead of diminishing, our industrial relations problems continued to multiply.

For 20 years, the recent admisistration had looked upon business with suspicion. We had been blamed for the depression of the 30's, the recession of '38, for unemployment, for poverty, for building plants at Government expense, for conspiracies of all kinds, for overproduction and underproduction, for technological improvements which threw men out of work and for lack of technological advancement, for monopoly and for failure to work together, for sinister planning and for lack of foresight. Our employees were told we were their enemies.

Truly our concept of industrial relations had to change.

1947—A New Era

With the passage of the Management Labor Relations Act of 1947 (Taft-Hartley), however, many of us saw hope of a new era. The free speech provisions of this Act, we felt, gave us greater freedom of discussion with our employees, and I believe most of us, both in our plants and in our communities, renewed our efforts to obtain a closer relationship with individual employees. We were still called before the National Labor Relations Board for alleged unfair labor practices of varied and sundry descriptions.

We still found ourselves carried to arbitration for all types of alleged contract violations and we often found that the National Labor Relations Board, while subscribing in theory to the principle of free speech on the one hand, would charge us with unfair labor practices for interrogation on the other.

It is very interesting to try to determine the shadowy difference between free speech and interrogation where no other unfair labor practices are present. We find that the National Labor Relations Board consistently holds that any questioning of employees is an unfair labor practice even though there have been no threats or promises of benefit; but that on the other hand, seven different Circuit Courts of Appeal have over-ruled the Board.

In a recent case, the Board frankly admitted there had been no threats of reprisal or promises of benefit made by management during a union election campaign, but that because there had been so many conversations between foremen and wage roll employees in which foremen had freely expressed their opinions regarding the merits and demerits of the contending unions, the Board took the attitude that these conversations could not have existed without some form of interrogation.

A change in Philosophy

This brief sketch of the changes which have taken place over the past 20 years is, of course, extremely high-spot in nature. The fundamental purpose of industrial relations, I am afraid, is still too frequently overlooked. Let's stop for a moment and attempt to put ourselves in the position of the average wage roll employee.

The chances are this average man grew to maturity during the 20 years we have just discussed, 20 years in which the Government and certain sections of the press were constantly sniping at "business." Much publicity has been given to the accomplishments of national unions. Unfortunately, but quite naturally, officials of some unions have been constantly striving to divert the loyalty of wage roll employees to the unions at the expense of management, thus fostering the impression that the employee needs his business agent or shop steward to protect him from his foreman or supervisor.

The question we have to ask ourselves would seem to be, "How can we win this battle for men's minds?"

A few years ago I visited a plant in which I had been a shift supervisor 15 years ago. Out in the plant I ran across a foreman who had been one of my wage roll employees. During our reminiscences I happened to ask him what kind of people he had working for him. His answer was, "All they think about is another dollar." The more I thought of this conversation, the more it worried me because obviously if he felt that way about his people, they probably felt even worse about him.

Just last year, I happened to revisit the plant and again had a chat with this foreman. During the course of our conversation, the same question was asked—"What kind of people do you have working for you?"

More Intelligent Employees

I think his answer is quite interesting. He said:

> "When you asked me that same question several years ago, we had just come through an election where a national union had attempted to get into the plant. In the heat of the campaign, there was a lot of name-calling, unrest and bitterness. The national union was defeated, but the results had been closer than I expected. The whole thing upset me, and I think I lost my sense of values.
>
> "Today, of the 25 men reporting to me, all but one are veterans of World War II. Many of them have been all over the world. All of them have high school educations,

and one or two went to college for a year or more.

"These men ask me questions which would have caused you to think I was both radical and disloyal if I had put them to you when I was a wage roll employee on your shift. For example, they want to know all about all of the millions of dollars the company makes; whether they get their fair share or not; what are their chances of progress; what security do they have; in fact, they ask me many questions I cannot answer.

"I have found that because I conscientiously get the factual answers to their questions and discuss freely any topics they bring up on a sincere man-to-man basis, I have a more loyal and better crew with higher morale than was true 15 years ago when I was a wage roll employee."

The Change Is Fundamental

It strikes me there is something very fundamental in what this foreman had to say. Undoubtedly the intelligence level of the wage roll employee is constantly going up, his education is improving and, through radio, television and change in reading habits, he is far better informed. We can naturally expect, therefore, that the days of more or less blind loyalty to any organization are over. We can only expect to win respect and loyalty through giving real information concerning the plans, hopes and problems of our business. We must appeal to man's self-interest and prove that what is good for the company is good for him.

Needed: More Communication

Not long ago one of our supervisors conducted a little experiment. As he walked through the plant one morning, he asked 15 employees what per cent net profit they thought the company had made in the year just ended. The replies ranged anywhere from 24% to 40%. When these men were told that the real net return was less than 10%, they were amazed. It would seem, therefore, that a good philosophy might be to forget any disappointments we may have had with unions or Government or Boards or anyone else, and concentrate very heavily on a sound, honest two-way flow of communication between management and men.

In the six years following World War II, industry spent over one hundred billion dollars for new plant installation—more than during the preceding 15 years. Our technology has improved phenomenally, but I sometimes question whether our fundamental relationship with the people working for us has not lagged far behind. Sound industrial relations policies such as a good safety program, good pay, pensions, sick benefits, vacations, etc. are unquestionably helpful, but even more important is the daily relationship which exists between anyone anywhere in the organization and the person to whom he reports.

If we are sound at this point and if mutual understanding and respect exists, we will find ourselves in the healthy position where other means of communication, such as plant newspapers, good collective bargaining, etc., serve only as additional aids to the relationship which exists between foremen and workmen.

We can never escape from the fact that the immediate supervision of our wage roll employee during the normal 40-hour week should be in a better position to influence his thinking than is any other person with whom he associates except possibly his wife. This is at once a tremendous responsibility and a tremendous opportunity.

Implications for Management

In summary, then, it would appear that when we use the term "good industrial relations," we are simply talking about morale. Despite all the influences which are constantly at work on the minds of our people, I believe you will agree that the fundamentals of maintaining good morale never really change. We have two important aspects of morale:

1. Do we know what is going on in the minds of our people?
2. How sure are we that mutual respect and understanding exists between worker and boss?

I honestly believe the most healthy attitude we can take to these questions is that they are never answered but that we should constantly, conscientiously, and intelligently seek the answers.

CHAPTER STANDINGS
As of May 1, 1953

MEMBERSHIP		CHAPTER PERFORMANCE AWARD	
New York	416	No. New Jersey	5743
No. New Jersey	374	Philadelphia	5669
Philadelphia	338	Lancaster	4051
Cincinnati	314	Asheville	4050
Chicago	309	Boston	3760
Cleveland	294	Allentown	2800
Washington	247	Greensboro	2755
Boston	242	Hudson Valley	2560
Pittsburgh	222	Milwaukee	2465
Detroit	192	Pittsburgh	2398
Lancaster	170	Washington	2162
Los Angeles	155	Trenton	1755
Milwaukee	148	Baltimore	1605
San Francisco	118	Charlotte	1370
Dallas	104	Detroit	1325
Indianapolis	104	New York	1146
New Brunswick	99	Wilmington	1121
Asheville	95	Bridgeport	1102
Hudson Valley	95	Chicago	1048
Dayton	92	San Francisco	1020
Greensboro	91	Indianapolis	981
New Haven	91	Montreal	940
Baltimore	82	New Haven	938
Charlotte	74	Atlanta	906
Binghamton	71	Birmingham	895
Hartford	67	Richmond	877
Wilmington	67	Los Angeles	817
Montreal	66	Central Pa.	790
Bridgeport	63	Portland	756
Atlanta	62	New Brunswick	711
Allentown	61	Greenville	705
Trenton	59	Cincinnati	670
Worcester	59	Columbus	630
St. Louis	58	Hartford	611
Columbus	56	Nashville	546
Providence	56	Providence	481
Reading	53	Worcester	445
Greenville	50	Knoxville	445
Central Pa.	49	Binghamton	440
Clearing	48	Manchester	425
Knoxville	48	Dayton	281
Richmond	48	Wilkes-Barre	245
Louisville	46	Stamford	180
Wilkes-Barre	46	New Orleans	170
Birmingham	45	Central N. Y.	140
Manchester	45	Cleveland	121
New Orleans	43	Western Mass.	90
Portland	42	Kansas City	80
Western Mass.	42	Dallas	70
Twin City	40	Louisville	40
Fox Valley	39	Reading	40
Central N. Y.	36	Twin City	31
Sacramento	34	Clearing	16
Madison	33	Madison	15
Nashville	26	Sacramento	15
Kansas City	24	Fox Valley	—
Stamford	12	St. Louis	—

Make It "Do As I Do"

One final observation: Most of us have developed over the years great missionary zeal to put our ideas across. Yet, we must never lose sight of the fundamental fact that in employee relations what really counts is what we do, not what we say. Our employees know us. They will know if our words are not matched by our deeds. So we must do the right thing before we begin to talk; and even when we are satisfied that we are doing the right thing, we should try to curb the all-too-natural tendency to preach before we listen. A better philosophy might be to develop the art of being a good listener in order that we shall know how to preach.

The Management Bookshelf

Retirement Is A Problem For Both Man and Company

Some Observations on Executive Retirement by HAROLD R. HALL. 298 pages. Harvard Graduate School of Business Administration, 1953. Price $3.75.

Harold R. Hall's book is the result of research in a comparatively new field of business thinking. It represents an important advance in our knowledge and understanding of a subject which is doubly significent to the business leader. For, executive retirement is a matter of concern, not only to the company, but also—and perhaps even more vitally—to the individual. Mr. Hall has recognized this dual nature of the problem. No other study that I know of has approached the economic and human questions more objectively.

Company Planning

From the company standpoint, Mr. Hall points out that executive retirement problems are growing in importance because of two reasons: (1) "the growth in the proportion of men who live to older ages than previously" and (2) "the increasing pressure to have executives who are competent make decisions in a business world of growing complexity and competitive stress." Moreover, he finds that "the present tempo of business with its expanded competition, and its continuous battle of ideas, has brought growing recognition that only executives capable of working with full physical and mental power can sufficiently serve the welfare of their companies."

Many companies recognize the problems they face in retiring their executives. Yet, how many have put any effort into planning for them? Only a few companies have developed retirement plans to assist their executives in making the financial adjustment. Even fewer companies have tried to stimulate the executive in planning for his own activities after retirement.

Mr. Hall's discussion of what management can do to help executives prepare, financially and otherwise, for their retirement days is stimulating. It is my observation that companies in all kinds of industries stand to gain a great deal from a positive program. One of the most obvious advantages is that it puts the company in a better position to attract and hold able executives.

Individual Planning

Turning now to Mr. Hall's discussion of individual planning for retirement, there are many chapters that are extremely valuable. For example, he outlines the financial aspects of preparation and the planning of activities. He examines many suggestions that were made by retired executives to men contemplating retirement. Most interestingly, the wife's views and responsibilities are discussed.

Irrespective of the assistance a company gives its staff in planning for retirement, working out a plan for happiness rests upon the individual. He will need to devote much thought and work to it, but he can rest assured that intelligent and farsighted planning will mean greater happiness and contentment. Actually, a young man can plan for his retirement much as he does for his business career. Guidance is essential since the ideas must come from those who have experienced retirement.

A retired executive wants to use his abilities and experience. He desires continued accomplishment. These motives may lead him into semi-business or public service enterprises. However, in practice this sort of work has proved disappointing. Generally, men who have worked through people do not find it stimulating.

It is better for the seasoned veteran who retires to give his experiences to the church, community or government —and to business through organizations like the Society for Advancement of Management. Outlets like these offer him personal satisfaction as well as distinction.

Mr. Hall summarizes his findings for successful retirement in these words:

> "We must be useful to find satisfaction in life, whether as an active or retired person."

BRUCE PAYNE, President
Bruce Payne & Associates, Inc.
Westport, Conn.

Management Development Through Opportunity

Reaching Out In Management by WILLIAM B. GIVEN, JR. 175 pages. Harper and Brothers, 1953. Price $2.50.

In *Bottom-Up Management*, published by Harpers in 1949, William B. Given, Jr. described methods in implementing his basic philosophy of "passing more authority down the line, of encouraging the lower ranks to push those above for more freedom to venture, to try out their own ideas and to take chances of failing." The methods, persistence and courage needed to provide effective decentralization from top to bottom were forcefully presented in the widely-read earlier volume.

Mr. Given's current book elaborates on another facet of the general objective of providing the conditions which increase the opportunities for men to develop their abilities, thus increasing their value to the company, and providing a greater measure of personal satisfaction to themselves. Specifically, the "reaching out" addition to "bottom-up" management philosophy is simply urging management people at every level to contribute more and more to areas of the company beyond their immediate assignments.

Example: A plant foreman suggests to the sales manager a follow-up on certain old customers who had not ordered non-metallic bearings in recent years.

Result: The sales manager, several levels higher in the hierarchy, listened to the foreman, had the follow-ups made, and got a lot of the old business back.

Results Are Good

Carrying out this idea has apparently produced good results: New stimulus and added satisfaction for the individual who contributes beyond his narrow sphere; additional opportunities for promotions to other departments; increased stature for the executive who makes use of other people's suggestions; improved total company performance; and a continuing emphasis on executive development.

The author does not minimize the human relations difficulties involved in getting people to accept the notion that they should "poke their noses into somebody else's business" (especially when somebody else is a higher-up) or in get-